Annual Financial Statement for India
1874-75 to 1886-87

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penditure would be £51,944,000; that the surplus on the ordinary account would be £220,000; and that the deficit upon the whole account would be £3,658,000. It is now estimated that the revenue has been £49,476,000, or more than the budget estimate by £1,190,000; that the ordinary expenditure has been £47,657,300, or less than the budget estimate by £408,700; that the extraordinary expenditure has been £3,541,000, or less than the budget estimate by £337,000; that the total expenditure, including extraordinary, has been £51,198,300, or less than the budget estimate by £745,700; that the surplus on the ordinary account has been £1,818,700, or more than the budget estimate by £1,598,700; and that the deficit upon the whole account has been £1,722,300, or less than the budget estimate by £1,935,700. Regular Estimates, 1873-74.

The chief improvement is once more in opium, which is now estimated to have yielded £941,000 more than was originally estimated, the revenue being £822,000 more and the expenditure £119,000 less than estimate. Of the improvement in the revenue, £303,300 is in Bengal opium, the average price obtained for the 42,750 chests sold having been Rs. 1,266, instead of Rs. 1,200, as estimated, and £518,700 is in the pass duty from Malwa opium, which has yielded the largest revenue yet obtained from this source in any year excepting 1862-63. The net opium revenue for 1873-74 was estimated at £5,385,000. The actual net revenue was £6,326,000, being considerably less than the net revenue of 1871-72 (£7,657,213), or 1872-73 (£6,870,423), or than the average of the past six years (£6,625,146). Opium.

The army is estimated to cost only £14,306,000 (being the smallest amount in any year since 1863-64) instead of £14,654,000 as originally expected. There is thus an improvement under this head of £348,000, which will be further explained hereafter. Army.

The only other important improvement is in the guaranteed railway interest, the net State expenditure for which is now expected to be £224,000 less than was first estimated. Guaranteed Railways.

The gross earnings of the guaranteed companies were estimated to be £7,161,800; they are now expected to be £7,290,000. The working expenses were estimated to be £4,261,800; they are now expected to be £4,190,000. The net traffic receipts to be appropriated towards paying the guaranteed interest were estimated to be £2,900,000; they are now expected to be £3,100,000. The guaranteed interest was estimated at £4,690,000; it is now expected to be £4,666,000. The net deficit chargeable to the Indian revenues was estimated to be £1,790,000; it is now expected to be £1,566,000.

The improvement is confined to the East Indian Railway (main line and Jubbulpore branch), and the Sindh Punjab and Delhi line. The other guaranteed railways have yielded, on the whole, rather less net revenue than was estimated.

The system of guaranteed lines is now nearly complete. Of 6,201 miles sanctioned, 5,490 miles were, on the 31st December 1873, open for public traffic; 56 miles have since been opened for traffic; 12 miles are closed; 392 miles are under construction; 133 miles are under survey; and 118 miles (on the Oudh and Rohilkhund Railway Company's system, between Buxar and Akbarpur), are in abeyance. There is also a survey in hand for a line to unite the Oudh and Rohilkhund Company's system with that of the Sindh Punjab and Delhi Company, at or about Saharanpur; but the question of extending the guarantee to this line is undecided, and it is not yet settled that the line is to be constructed at all. Retrospect. Guaranteed Railways.

The Oudh and Rohilkhund Railway is expected to be open throughout, by the middle of 1874, excepting three large bridges, which, it is hoped, will be completed by the middle of 1875. Meanwhile, the traffic will be worked over temporary bridges at Rajghat on the Ganges, and at Bareilly on the Ramganga, during the dry season.

In a few months, construction operations on the guaranteed railways will be confined almost exclusively to the Madras Presidency, where a connected system of nearly 600 miles on the metre (3 feet $3\frac{3}{8}$-inches) gauge is in progress.

Excluding the section in abeyance, the ultimate total outlay on the guaranteed railways is estimated at 96 millions sterling, of which sum, 92

Regular Estimates, 1873-74.

millions have been spent, leaving 4 millions to be spent by the end of 1877. The cost per mile will thus be £15,780, including a double track for about one-eighth of the whole distance.

Revenue.

The net charge to the State to the end of 1873 on account of land and supervision for these guaranteed lines, (omitting loss by exchange which is largely nominal), has been nearly 4½ millions sterling. If this 4½ millions be added to the capital provided by the companies, the total estimated cost of the railways is raised to 100½ millions sterling, or £16,520 per mile. Thus, the direct contributions of the State towards the cost of the guaranteed lines are estimated at about £700 per mile, besides interest on the capital during construction.

STATISTICS, 1873. GUARANTEED RAILWAYS.

The mean mileage open during the year 1873 was 5,409 miles, compared with 5,140 miles in 1872, and the train mileage run for traffic purposes was 14,727,933 miles in 1873 against 14,189,657 miles in 1872.

The number of passengers increased from 19,829,000 to 21,817,000, (10 per cent.) and the receipts from passengers from £2,258,200 to £2,374,700, (5 per cent.). The increase in the passenger traffic occurred chiefly on the East Indian, Eastern Bengal, Oudh and Rohilkhund, Madras, Great Southern of India, and Bombay Baroda and Central India Railways. On the Great Southern of India Railway there was an exceptional festival traffic of about 300,000 passengers. The increase in the number of passengers on the Oudh and Rohilkhund Railway (650,000) was due to increased open mileage. On the Bombay Baroda and Central India Railway the increase (250,000 passengers), was also chiefly due to additional mileage.

The goods traffic increased from 3,400,000 tons to 4,000,000 tons, (17·65 per cent.), and the receipts from £4,250,000 to £4,640,000 (9·22 per cent.). This increase occurred chiefly on the East Indian, Eastern Bengal, and Sindh Punjab and Delhi Railways. The falling off was largest on the Bombay Baroda and Central India Railway, where the tonnage booked was 87,000 tons lessthan in the preceding year owing to a decline in the cotton and sugar traffic. The decline in cotton was in some measure due to active sea competition. On the Great Indian Peninsula Railway, notwithstanding a decrease in quantity carried of 56,000 tons, the receipts increased by £27,800, from an improvement in cotton and linseed. The season is said to have been considered unpropitious for Hindoo marriages, and this is supposed to have affected the traffic in sugar on both lines.

The minor differences between the original and present estimates will now be noticed in order, beginning with the revenues.

[redacted]UE.

Land revenue shows a decrease of £140,500. Of this, £102,000 is to be attributed to the failure of the rains in Upper India, which has caused the postponement of £72,000 of revenue in Bengal, and £30,000 in the North-Western Provinces, the eastern districts of which have suffered. [redacted] falling off of £26,000 in the Punjab where an expected increase of [redacted] deferred and of £89,300 in Oudh, in some districts of which [redacted] found necessary to reduce the assessment temporarily. In Madras also there is a decrease of £43,300; the land revenue of Madras, being larger than that of any other province, is sensitive to any calamity of season, and the partial drought in the southern districts has caused this decrease. On the other hand, the Bombay land revenue shows an improvement of £50,500 and the Central Provinces yield an increase of £12,500. The Burmah land revenue also shows the large increase of £55,300.

This great branch of the revenue, though just now somewhat depressed, is yet considered to be in a healthy condition; much of the revenue which has not been realised in 1873-74 will be paid when prosperity returns, and is included in the estimates for 1874-75.

TRIBUTES.

The increase of £46,300 under tributes is due to arrears having been paid up.

FORESTS.

There is a net improvement of £45,400 in the revenue from forests, which is satisfactory.

EXCISE.

Notwithstanding the scarcity, the net excise revenue shows an improvement of £65,000. There are increases of £11,900 in the Central Provinces, £22,800 in Burmah, £15,200 in Bengal, and £37,800 in Madras, and decreases of £4,700 in Oudh and £19,000 in the North-Western Provinces, where there is

a debit of £10,000 for opium, belonging to an earlier year. It is remarkable that, notwithstanding the scarcity, Bengal should show no decrease, but even some increase under this head.

Regular Estimates, 1873-74.

Revenue.

ASSESSED TAXES.

The net revenue remaining to be collected under assessed taxes proved to be £8,500 more than was expected.

CUSTOMS.

In the customs' revenue there is a net decrease of £23,700. The large shipments of rice from Burmah to Bengal alone have involved the sacrifice of about £140,000 of export duty: but the crop has been so abundant that a decrease of only £43,800 of the Burmah customs' duty is expected in 1873-74, which will be nearly made up in the following year. In Bengal there has been a decrease of £93,400,—an indirect result, no doubt, of the scarcity. The Madras customs show an improvement of £40,900; and in Bombay the estimate has been exceeded by no less than £65,200. The customs' revenues do not, therefore, as a whole, show as much loss from the scarcity as might have been feared.

FOREIGN TRADE, 1872-73.

The aggregate value of the foreign trade of 1872-73 in merchandise and treasure together (excluding Government stores and treasure) was £91,531,103, *viz.*, imports £35,029,654 and exports £56,501,449. This is a considerable decrease as compared with 1871-72, when the trade was valued at £106,991,608, *viz.*, imports £42,384,588 and exports £64,607,020. Nevertheless, the trade of 1872-73 in merchandise, excluding treasure, was of fair average value.

The falling-off in imports was chiefly in treasure, the net decrease in which, as compared with 1871-72, amounted to £7,164,447. This diminution occurred chiefly in the imports from the United Kingdom and from China. Cotton piece-goods, which constitute the principal import, decreased in value by about ½ a million sterling, while cotton twist and yarn increased by nearly ¼th of a million. So that, on the whole, the decrease in the value of this important trade was but slight.

For a few years past, the import of metals, especially of copper, has been in a depressed condition. This is believed to be due to the high prices which have prevailed in England. It may be hoped that, with reduced prices in England, the Indian metal trade will revive.

The chief decreases in the value of exports in 1872-73 below 1871-72 were cotton raw (£7,250,322), opium (£1,938,948), and seeds (£1,219,886). The diminished exportation of raw cotton was, doubtless, due to the competition of American cotton: that of opium was the result of a deficient poppy crop in Bengal. The decrease in seeds was also due to diminished production, the rape crop of 1872 having almost totally failed. Of raw cotton, only 494,214,447 lbs., valued at £14,022,108, were exported in 1872-73, as contrasted with 809,246,087lbs. valued at £21,272,430 in 1871-72. Of opium, 82,908 chests, valued at £11,426,280, were exported in 1872-73, as compared with 93,364 chests valued at £13,365,228 in the preceding year. The value of seeds exported in 1872-73 was £1,508,241, as compared with £2,728,127 in 1871-72. Of coffee, 41,462,705lbs., valued at £1,128,549, were exported in 1872-73, as compared with 56,363,838 lbs. valued at £1,368,949 in 1871-72; but the export of coffee in 1872-73 exceeded the average of the five preceding years. On the other hand, the export of several important staples, namely, rice, raw jute and tea, largely increased. Of rice, 22,973,797 cwts., valued at £5,701,439, were exported in 1872-73, as compared with 16,990,890 cwts. valued at £4,446,588 in 1871-72. Of raw jute, 7,080,912 cwts., valued at £4,142,548, were exported in 1872-73, against 6,133,813 cwts. valued at £4,117,308 in 1871-72. Of tea, 17,789,911 lbs., valued at £1,577,691, were exported in 1872-73, against 17,187,328 lbs. valued at £1,454,985 in 1871-72. The exports in 1872-73 of the three last-named products were the highest on record. The export of indigo in 1872-73 (115,312 cwts.) was nearly the same in quantity as that of the preceding year (115,414 cwts.), but the declared value was lower. The exports of saltpetre were higher last year than they had been for several preceding years, and considerably exceed those of 1871-72, the figures being 518,982 cwts. in 1872-73, against 432,210 cwts. in 1871-72. The teak timber trade also exhibited considerable improvement in 1872-73.

Regular Estimates, 1873-74. *Revenue.*

FOREIGN TRADE, 1873-74.

TEN MONTHS' STATISTICS.

From the returns of the first ten months of 1873-74, it may be anticipated that the total value of the trade of 1873-74 will be nearly the same as that of 1872-73. The total value of imports during the ten months is about the same as that of the corresponding period of 1872-73; for while the value of cotton goods shows an improvement of more than £780,000, treasure has decreased by a million sterling. Metals also show decrease. The total value of merchandise exported shows diminution, but this is fully accounted for by the large falling-off in the exports of rice. The export of rice to foreign countries during the ten months from April to January 1873-74 was less in quantity by 182,000 tons, and in value by nearly half a million sterling, than that of the corresponding period of 1872-73.

The export of seeds has largely recovered from the depression of 1872-73, the value for the ten months being more by £400,000, or 26 per cent., than that of the whole of 1872-73.

Tea has increased from 15,709,557 lbs. valued at £1,403,286 to 16,800,046 lbs. valued at £1,520,233. Coffee shows increase in quantity and in value; the figures are 26,112,009 lbs. valued at £857,738 in 1873-74, compared with 25,290,477 lbs. valued at £647,207 in 1872-73.

Jute raw shows decrease both in quantity and in value, the export being 5,222,423 cwts. valued at £2,879,512 in 1873-74, compared with 5,882,985 cwts. valued at £3,469,261 in 1872-73. As already stated, the export of jute raw in 1872-73 was the largest on record.

Raw cotton shows improvement in quantity, but a slight decrease in value, the export being 385,395,682 lbs. valued at £10,181,374 in 1873-74, against 359,698,873 lbs. valued at £10,334,493 in 1872-73.

The export duty on wheat was abolished on the 4th January 1873. The remission would appear to have given a remarkable stimulus to the trade. The export of wheat during the ten months from April 1873 to January of 1874 was 1,337,672 cwts., contrasted with 320,042 cwts. for the same period in 1872-73.

SALT.

The salt revenue shows a gross improvement of £13,300. Till recently there was every probability of a much more substantial improvement; but the shortness of stocks in Calcutta and the diversion of capital and carriage in North-Western India from the salt trade to the grain trade has disappointed these expectations. As it is, the Bengal salt revenue shows a decrease of £29,000 and the inland salt revenue a net decrease of £29,700. Bombay, however, yields an improvement of £44,300 and Madras of £30,000.

STAMPS AND LAW AND JUSTICE.

The stamp revenue and the receipts under law and justice must be considered together, these heads being still somewhat connected. There is an increase of £101,600 in the net revenue from stamps, and a decrease of £22,500 under law and justice, leaving a net improvement of £79,100. Of this £39,200 is in Bengal, and the rest is generally distributed.

INTEREST RECEIPTS.

Interest shows a decrease of £11,500. There was an improvement of £52,000 in England, where £67,000 was obtained for the use of the balances in the hands of the Secretary of State, instead of £15,000 as estimated, the balances having been full and money dear: the Bank of England rate of discount was at one time (8th to 19th November) 9 per cent. In India there is a decrease of £63,500, chiefly owing to the operation of the new port trust Act in Bombay, under which the payment of interest on the capital debt of the trust is postponed till the 1st April. Consequently only £18,300 was received from the trust in 1873-74, instead of £69,600 as estimated.

PENSION RECEIPTS.

The increase in the receipts in aid of superannuation, retired and compassionate allowances (£23,400) is owing to larger sums than were estimated having been brought to credit from the military and medical funds.

GAIN BY EXCHANGE.

Of the improvement in gain by exchange (£69,900), £30,500 is owing to the improved railway receipts; the rest is from the adjustment of certain credits belonging to former years.

MISCELLANEOUS RECEIPTS.

The excess miscellaneous receipts (£59,100) occur partly (£17,000) at the home treasury and partly from sundry adjustments in India.

ARMY.

The army receipts are larger by £90,000 than was expected. Of this improvement £14,000 is at the home treasury, the rest is chiefly due to some arrear credit adjustments in the Madras Presidency.

Regular Estimates, 1873-74. *Revenue.* STATE RAILWAYS.

During the year 1873-74, the first sections of the new state railways were completed. At the beginning of the year, with the exception of the Calcutta and South-Eastern, and Nalhati lines, only two short branches in Berar were open, although for the convenience of traders, salt was allowed to be carried over the railway from Delhi to Rewari while it was still incomplete and not formally opened for traffic. By degrees, however, the different sections of the railways that are nearest to the ports where English materials were landed were opened one after another in order to give to the country the benefit of railway communication as soon as possible. In all 168 miles were opened for traffic during the year.

The Government of India has fixed the yearly expenditure on the construction of state railways for the present at £3,000,000; in order to spend this amount economically, there ought to be about 1,500 miles of railway at all times in progress, of which 375 miles will be finished in each year. There are now 234½ miles of state railway open, 1,329 miles actually in progress and 281 miles under survey, or in a preliminary stage. Of the mileage in progress, some is in an advanced state, and more than the due 375 miles will, it is expected, be opened during 1874-75.

Of the traffic it is as yet too early to speak with confidence. In the year 1873, 119,733 train miles were run, carrying 123,386 tons of goods and 641,558 passengers; Rs. 1,56,944 was received for freight of goods, and Rs. 1,62,623 for carriage of passengers. These figures are satisfactory, but the extent of the traffic can only be proved by time.

Including the purchase of the Calcutta and South-Eastern line, the total estimated capital expenditure on state railways to the end of 1873-74 is £5,672,211, and to the end of 1874-75 £8,790,261.

On the railway from Delhi to Rewari a lower scale of passenger fares has been introduced than has ever before been tried in India, or perhaps in any part of the world: from any station on the line to the next station, a passenger is carried for one anna, an average rate of about 1¼ pie per mile, or between 6 and 7 miles for a penny. That this rate will attract large numbers of travellers is already proved, and it will thus be of great service to the country; but whether it will cover the cost of carriage and yield a sufficient margin of profit, yet remains to be proved.

Besides the state railways which have been undertaken to extend at the charge of the imperial revenues, the systems constructed by companies working under a state guarantee, a small experimental line has been surveyed and begun under different auspices.

The wealthy trading town of Hatras lies six miles from the East Indian Railway; and, beyond it, at a distance of 23 miles, is Muttra, on the bank of the Jumna. To construct a very light single railway along these 29 miles will cost some 15 lakhs of rupees, and there seems to be no doubt that this outlay will be remunerative. The Government of the North-Western Provinces has accordingly set aside 10 lakhs from provincial revenues for the construction of this line, and the local public have been invited to subscribe 5 lakhs, on which 4 per cent. interest will be paid from provincial revenues with a share of any surplus profits. The railway is to be managed by a board composed of Government and native directors. If this interesting experiment succeeds, the system may be tried in other parts of India.

TOTAL REVENUE.

The revenue of 1873-74 is now expected to exceed the original estimate by £1,190,000. Of the twenty-two heads into which the revenues are divided in the accounts, there is improvement in seventeen and falling-off in only five. It may safely be said that, but for the calamitous season in Bengal, at least two of these five also would have shown improvement. In short, the revenues are in a satisfactory condition.

Expenditure.

The expenditure now expected in 1873-74 upon the various accounts will now be reviewed—

INTEREST ON DEBT.

The increase as compared with the budget estimate, of £16,900 in the charge for interest on the public debt is owing to the re-issue of certain securities

Regular Estimates, 1873-74. *Expenditure.*

held as a temporary investment since the beginning of 1872, to which further reference will be hereafter made. The difference between the price paid for these securities and the price at which they were resold, has been written off under interest partly in 1872-73 and partly in 1873-74.

REFUNDS. The decrease of £24,600 under refunds is accidental, the charge now expected under this head being the smallest known for many years.

LAND REVENUE. The increase of £24,200 under land revenue is generally distributed: the grants were apparently not quite enough for the service of the state in this important department: settlements are progressing in many provinces.

STAMPS. The saving in stamps (£32,800) is chiefly owing to less having been spent in England for stores.

MINTS. The mints are expected to show a deficit of only £9,000 instead of £23,000 as estimated. This improvement (£14,000) is due to the importation of silver bullion, which began in December and is still continuing. Till the end of November, the mints were either standing idle or coining bullion received last year; from the 1st April to the 30th November bullion worth only £280,137 was received, and silver coin worth only £961,315 manufactured. But the mints have since been busily employed, and the close of the year found them in full activity. The whole amount of silver bullion received at the mints during 1873-74 was £2,705,147, of which £1,699,307 was received at Bombay and £1,005,840 in Calcutta. The value of the silver coinage executed was £2,370,007, of which £1,579,097 was coined at Bombay and £790,910 at Calcutta. It seems probable that, in future, more bullion will be brought to the Bombay mint than to Calcutta.

TELEGRAPHS. The telegraphs show an increase (£19,000) of revenue, and a decrease (£30,800) of expenditure. Of the improvement in revenue £15,900 is from the Indo-European telegraph, and £3,100 from the Indian telegraphs. Of the decrease of charge £11,500 occurs in the Indian telegraphs, materials paid for in previous years having been used in 1873-74, and £19,300 in the Indo-European telegraph. The financial prospects of the Indian lines are not altogether encouraging. The excess charge on the Indian lines in 1873-74, including capital outlay on new works, is £144,780; and on the Indo-European line £12,400. Comparing the working expenses with the receipts, there is a deficit of £84,030 on the Indian lines and of £8,860 on the Indo-European. The remaining excess of expenditure over receipts (£18,000) is for the interest guaranteed on the capital of the Red Sea and Indian telegraph which must, under Act 24 Vic. Cap. 4, continue till A. D. 1908.

The total outlay of State capital on telegraphs to the end of 1873-74 is estimated to be on the Indian telegraph lines £2,730,500, and on the Indo-European line £1,156,378.

ADMINISTRATION. The decrease under administration (£25,900) is owing to the purchase of some stationery in England having been postponed till 1874-75.

POST OFFICE. The net cost of the post office to the imperial revenue is now estimated at £88,000, instead of the budget estimate of £101,000. Besides £88,000 from the imperial revenues, £25,178 is estimated to be spent upon postal services from provincial, and £49,495 from local revenues, making the total net expenditure £162,673.

MINOR DEPARTMENTS. The excess expenditure under minor departments, £9,200, is due to activity in the topographical survey department, especially on the eastern frontier, and to the cost of representing India in the Vienna Exhibition. A small sum of £4,300 has also been spent in beginning a system of immigration from Bengal into British Burmah. A maximum sum of £50,000, to be spent as it is required, has been granted for this scheme.

LAW AND JUSTICE. The saving of £47,400 in the department of law and justice is partly nominal, certain services having been transferred to the provincial revenues with a corresponding increase of allotments.

MARINE. The marine department shows a gross improvement of £139,800, of which £49,000 is nominal, the pensions to the retired officers of the Indian Navy in England having been transferred to the head of superannuation allowances. Of the real improvement (£90,800) £27,400 (net) is in receipts at the Bombay dockyard for work done for the Royal Navy, £10,200 is from the sale of part of

the Punjab flotilla, and the rest is in the expenditure from the home treasury for stores.

Regular Estimates, 1873-74. *Expenditure.*

The ecclesiastical expenditure is expected to be £159,600 in the civil department and £23,200 in the military department, total £182,800, which is £4,200 more than was granted.

ECCLESIASTICAL.

The medical services are now set down at £186,900 from imperial funds in the civil department; the expenditure in the military department on medical services, including stores, but not including the pay of regimental medical officers, is estimated at £474,850; and that from provincial revenues at £391,159, making a total expenditure on medical services of £1,052,909, besides an expenditure of £110,073 from local revenues, and besides the pay of regimental medical officers.

MEDICAL.

There is always some uncertainty about the estimates for political agencies and allowances and assignments: taken together they show a decrease as compared with the budget estimates of £18,400.

POLITICAL AGENCIES AND ALLOWANCES AND ASSIGNMENTS.

The increase of £115,000 for civil furlough allowances is nominal. Hitherto, the furlough allowances of military officers in civil employ have been charged under the army. They are henceforth to be charged to this head.

CIVIL FURLOUGH ALLOWANCES.

Notwithstanding the transfer of £49,000 from marine, the net charge for pensions is now expected to be only £10,300 more than was estimated. The saving is in the donation to the Bengal civil service annuity fund, which was largely over-estimated.

SUPERANNUATION ALLOWANCES.

Loss by exchange is entered at £135,700 more than was estimated. It was expected that bills drawn by the Secretary of State for Rs. 14,35,00,000 would be paid during 1873-74, the sum of £13,500,000 being thereby raised for the supply of the home treasury: the estimated rate of exchange was 1*s*. 10·58*d*., and the sum of Rs. 85,00,000 was accordingly provided for the necessary adjustment under loss by exchange. It is now estimated that bills for Rs. 14,26,64,000 were paid in 1873-74, yielding £13,280,700 in England. The adjusting entry must thus be £985,700; the actual rate of exchange being 1*s*. 10·34*d*.

LOSS BY EXCHANGE.

The lowest rate obtained for the Secretary of State's bills during the year was 1*s*. 9⅝*d*. (on the 3rd December), and at one time it appeared likely that there would be a still further fall; but the subsequent demand for silver caused a reaction, and the rate has since been higher. The highest rate obtained was 1*s*. 11¼*d*. (on the 21st January).

COURSE OF THE EXCHANGES.

The exchanges between India and Europe have been much disturbed during the year by the measures in progress for the demonetisation of silver coin in Germany, valued at from £40,000,000 to £50,000,000. The general tendency in Europe and America is to prefer gold to silver as the standard of value: there seems therefore but little prospect of much of this silver being absorbed in Europe: indeed, the probability rather seems to be that Europe will, by the substitution of gold for silver, throw still more silver out of circulation. France and her monetary allies (Italy, Belgium and Switzerland) are set upon limiting their silver coinage, and have actually limited it to 5½ millions sterling in all in 1874. The East alone appears likely to continue for the present to absorb silver. The lowest quoted price of silver in London this year was 57⅞*d*. an ounce (on the 24th November): the demand for India has since caused some recovery, and the present price is nominally 59¼*d*.

The increase under provincial allotments (£102,500) is partly for certain special grants-in-aid made to the Provincial Governments, partly on account of additions to the assignments for charges not fully provided for, and partly for services newly transferred.

PROVINCIAL ALLOTMENTS.

For the expenditure of £3,920,000 shown under famine relief, no provision was made in the estimates. Remarks upon this expenditure will be found further on.

FAMINE RELIEF.

Apart from the expenditure for famine relief, the total estimated civil expenditure, which now appears to be £44,300 more than the original estimate, would, but for the transfer of the charge for absentee allowances from the army to the civil department, have shown a small saving of £70,700.

TOTAL CIVIL EXPENDITURE.

The army shows a decrease of £258,000, of which £160,000 is nominal, being due to the transfer from this account of the charge for furlough allowances

ARMY.

Regular Estimates, 1873-74. *Expenditure.*

to military officers employed in the civil departments and in the public works department. The rest is chiefly owing to the postponement to 1874-75 of the purchase of stores at home.

PUBLIC WORKS ORDINARY.

The sum of £2,382,000 has been spent upon public works from the ordinary imperial revenues, being in excess of the grant by £28,000. That there is any excess on this account is due to the transfer from the army of £47,000 for furlough allowances to military officers in the employ of the public works department. The expenditure is thus divided: military works £1,146,700; other services, including civil buildings and miscellaneous works, £300,000; agricultural works, including embankments and irrigation works, £826,000; the Warora colliery £22,300; Cooper's Hill college £40,000; furlough allowances, £47,000.

Besides this sum of £2,382,000 expended directly from imperial funds, £1,870,950 has been spent upon public works from provincial revenues, making £4,252,950 in all, besides the expenditure (£2,125,956) from local revenues. Thus the grand total expenditure on public works from ordinary revenues and receipts is £6,378,906.

PUBLIC WORKS EXTRAORDINARY.

Of the extraordinary expenditure (£3,541,000), £2,380,000 was spent upon state railways and the remainder (£1,161,000) upon canals.

BUDGET ESTIMATES, 1874-75.

Budget Estimates, 1874-75. SUMMARY.

It is estimated that in 1874-75 the revenue will be £48,984,000, being less than the regular estimate, 1873-74, by £492,000; that the ordinary expenditure will be £47,792,000, being more than the regular estimate, 1873-74, by £134,700; that the extraordinary expenditure will be £4,563,000, being more than the regular estimate, 1873-74, by £1,022,000; that the total expenditure will be £52,355,000, or more than the regular estimate of 1873-74 by £1,156,700; that there will be a surplus on the ordinary account of £1,192,000, or less than in 1873-74 by £626,700; and that there will be a deficit on the whole account of £3,371,000, or more than in 1873-74 by £1,648,700.

LAND-REVENUE.

The land revenue shows an improvement of £364,500, of which £81,000 is from the revision of settlements in the North-Western Provinces and the Punjab, £41,000 is owing to the same cause in Bombay, £73,300 is in Madras, where the revenue in 1873-74 was abnormally low; and the rest is on account of the suspension of revenue in 1873-74 which will be collected in 1874-75. The Oudh land revenue is estimated at £100,000 less than in the budget estimate, 1873-74: as already explained, it has been found necessary to give time in some districts of this province before the terms of the recent settlement are fully exacted.

TRIBUTES.

The decrease of £42,300 under tributes is nominal, the revenue having been accidentally swollen by some arrear payments in 1873-74.

FOREST.

The net revenue from forests is estimated at £163,000, being almost the same as in the budget estimate of 1873-74 (£164,000). There would have been improvement; but it is necessary to spend money on the reboisement of Ajmir, which is much needed, and upon certain reproductive operations in the Bombay Presidency, where a considerable net forest revenue (£49,600 in 1873-74) is obtained. The net revenue of 1873-74 is expected to be £209,400; but this amount is exceptional.

EXCISE.

The usual increase is not estimated under excise, the circumstances of the year being too unpromising.

ASSESSED TAXES.

The head of assessed taxes disappears from the estimates.

CUSTOMS.

The increase of £111,700 under customs is owing to the expected recovery in Bengal and Burmah of this head of revenue from the depression of 1873-74. The purchase in Burmah of rice for Bengal has caused some postponement of the export of rice to Europe from 1873-74 to 1874-75, and much of the duty that would, under ordinary circumstances, have been realised in that province in 1873-74, may be expected to swell the revenue of 1874-75. The exportation of rice from Burmah increases continually: the crop reaped at the end of 1873 is estimated to have yielded about 800,000 tons for export.

SALT.

The estimate of salt revenue is more moderate than would at first sight appear. As already stated, the revenue of 1873-74 was, till quite lately, expected to be considerably more than is now estimated: one of the indirect conse-

quences of the scarcity is believed to have been a transfer to 1874-75 of some of the salt revenue which would naturally have been collected in 1873-74. In truth, an allowance of £150,000 has been made for loss of salt revenue in 1874-75 on account of the scarcity, and from the removal of the southern preventive line in the Central Provinces.

Budget Estimates, 1874-75. *Revenue.*

Under opium a net revenue of 5½ millions sterling is estimated as follows:—

OPIUM.

It is hoped that 45,000 chests of Bengal opium will be sold for exportation. Of this quantity there are now in store 34,544 chests—enough to supply the 3,750 chests already advertised for sale each month during the remainder of the calendar year 1874, and to leave 794 chests over for 1875. Deducting failures, an area of 456,575 acres has been actually cultivated with poppy in Bengal this year. It cannot perhaps be confidently expected that the average produce per acre will be as large as if the seasons had been normal; but, still, the prospects are decidedly favorable, and there seems no reason to fear that there will not be 45,000 chests of Bengal opium available for sale in 1875. At the same time the Government cannot, until the harvest is actually gathered and the manufacture completed, pledge itself to bring forward so much.

The Governor General in Council has, however, already announced that, however large the crop may be, *no more* than 45,000 chests (including the 794 chests of the crop of 1873 already in store) of Bengal opium will be sold in 1875. Should any excess be obtained from the harvest of 1874, it will be reserved for sale in the calendar year 1876.

The average rate obtained for a chest of opium at the first sale of 1874-75 was only Rs. 1,132. Nevertheless the rate assumed in the estimate for 1874-75 is Rs. 1,125, it being hoped that the present depression is temporary. With due addition for the cost price of the opium consumed in India, which is recovered through the excise department, the gross revenue expected from Bengal opium in 1874-75 is £5,215,000. The duty on Malwa opium is estimated to yield £2,400,000: the prospects of the crop in Western India are reported to be good, and the trade is said to be thriving. Thus the gross revenue expected from opium is £7,615,000.

The sum of £2,115,000 is provided for expenditure, as in 1873-74. The expenditure of late has been rather less than this; but then there have been successive short crops in Bengal, where almost the whole outlay is incurred.

The subjoined table shows that the estimate now made compares fairly with the estimates of recent years, and that it is for a smaller net revenue than has been recently obtained. At the same time, the figures show that this branch of the revenue is subject to very large fluctuations: the highest net revenue obtained in any of the past six years (1871-72) exceeds the lowest (1870-71) by no less than £1,626,179:—

YEARS.	Estimated gross revenue.	Actual gross revenue.	Actual better or worse (—) than estimate.	Estimated charges.	Actual charges.	Actual better or worse (—) than estimate.	Estimated net revenue.	Actual net revenue.	Actual better or worse (—) than estimate.
	£	£	£	£	£	£	£	£	£
1868-69 ...	8,385,800	8,463,365	67,565	1,907,780	1,720,111	187,669	6,478,020	6,733,254	255,234
1869-70 ...	8,286,540	7,951,557	— 334,983	1,724,330	1,820,683	— 96,353	6,562,210	6,130,874	— 431,336
1870-71 ...	6,922,281	6,045,459	1,123,178	2,013,110	2,014,425	— 1,315	4,909,171	6,031,034	1,121,863
1871-72 ...	8,038,500	9,253,859	1,215,359	2,102,900	1,596,646	506,254	5,935,600	7,657,213	1,721,613
1872-73 ...	7,700,000	8,684,691	984,691	2,323,000	1,814,268	508,732	5,377,000	6,870,423	1,493,423
1873-74 ...	7,500,000	8,322,000	822,000	2,115,000	1,996,000	119,000	5,385,000	6,326,000	941,000
1874-75 ...	7,615,000	...	...	2,115,000	...	...	5,500,000	...	...

STAMPS.

The net stamp revenue shows a small decrease, the improvement in the gross revenue being more than balanced by an increase in the demand for stores from England. Moreover, it is expected that some commission must be allowed for the retail of court fee labels at the courts: the establishments cannot manage to perform the duty without payment, as was hoped. Again, taking the gross revenue from stamps with that from law and justice, it will be found that the apparent im-

Budget Estimates, 1874-75.. *Revenue.*

provement in the stamp revenue is more than balanced by a loss of receipts under law and justice. The gross improvement in stamps is, in short, due only to a transfer from law and justice by the extended use of court fee labels. It may be mentioned here that anxiety has been expressed during the past year lest the substitution of labels for impressed paper should facilitate frauds dangerous to the revenue. Much attention has been and is being given to the subject, and it is hoped that the difficulty will be overcome without a reversion to the cumbrous and costly expedient of impressed paper.

INTEREST RECEIPTS.

There is little change under interest: the large receipts at the home treasury in 1873-74 are not indeed estimated to recur; but neither will the short payment by the Bombay port trust be repeated, though a full year's interest on the capital lent to the trust is not to be expected till 1875-76 at the earliest.

PENSION RECEIPTS.

The decrease under receipts in aid of superannuation, retired and compassionate allowances (£6,400) is mainly on account of the exhaustion of the Bengal military fund. This item is chiefly composed of subscriptions to the several military and medical funds which were taken over by the Government in 1867-68, and of transfers from the capital at credit of these funds upon the Government books. The subscriptions to the funds are estimated in 1873-74 at £302,658 and in 1874-75 at £305,808: the pensions, which are chiefly paid in England, are estimated at £662,775 in 1873-74 and £663,777 in 1874-75.

According to the arrangement made when the funds were taken over, the difference between the subscriptions received and pensions paid is transferred annually to revenue from the capital at credit of the funds upon the Government books. The amount thus credited in 1873-74 is £362,919: the equation is however prepared separately for each of the seven funds affected, and the remaining capital of one of them (the Bengal military fund) will not suffice to supply in 1874-75 the full amount of the difference between the subscriptions to this fund and the pensions payable from it: hence the amount credited in 1874-75 will be only £350,807.

The total capital surrendered to the Government in 1866-7-8 was £4,295,590, of which £1,765,256 was credited to the end of 1872-73, and £713,726 will probably be credited for the years 1873-74 and 1874-75. The balances estimated to remain at credit on the 1st April 1875 are as follow:—

	£
Bengal.	
Military fund	Exhausted.
Military orphan fund	354,076
Medical retiring fund	150,787
Madras.	
Military fund	551,311
Medical fund	363,708
Bombay.	
Military fund	314,208
Medical fund	82,518
TOTAL ...	1,816,608

GAIN BY EXCHANGE.

There is a falling-off in gain by exchange of £54,800, which is partly nominal, the receipts in 1873-74 having been swollen by an arrear adjustment, but chiefly real (£33,000), owing to the expectation that more capital will be spent on the guaranteed railways in 1874-75 than in 1873-74.

MISCELLANEOUS.

There is a decrease of £70,200 under miscellaneous, as some extraordinary receipts expected in 1873-74 will not recur.

IRRIGATION.

The gross irrigation revenue is expected to be £491,000, or £26,000 more than in 1873-74. The revenue shown under this head is almost all collected in the Punjab, the North-Western Provinces, and the Lower Provinces of Bengal, the revenue derived from irrigation elsewhere being generally incorporated in the land revenue. Provision is made for the working expenses (estimated at £293,686) of the canals from which this revenue is derived in the grant for public works ordinary.

The capital expended on irrigation works in the Bengal Presidency to the end of 1873-74 is returned in the department of public works at £8,658,000, of which £7,416,000 has been expended on canals actually open

and at work. The principal canals upon which this money has been spent are as follow:—

Budget Estimates, 1874-75. *Revenue.*

	To end of 1873-74. £.
Ganges	2,656,449
Bari Doab	1,370,507
Orissa Canals, Mahanadi Series	1,215,464
Midnapore, including Tidal Canal	764,578
Agra	567,250
Western Jumna	329,203
Eastern do.	206,856

The gross direct revenue from the canals upon which this capital has been spent is estimated for 1874-75 at £473,400, the working expenses at £293,686, and the net direct revenue at £179,714, being 2·42 per cent. upon the capital. If the sum of £138,437, increased land revenue attributed to these canals, be added, the net return is £318,151, or a fraction over 4·25 per cent. on the capital. The Agra Canal is, however, only just opened, and the Orissa and Midnapore Canals earn as yet very little. The most profitable canals are the Eastern and Western Jumna Canals, which are estimated to yield 22·75 and 31·3 per cent. respectively. The Ganges Canal pays 4·8 per cent.; the Bari Doab 4·3 per cent.

ARMY.

The army receipts are estimated at £890,000, being less than the receipts of 1873-74, as now estimated, by £70,000. The receipts of 1873-74 were abnormally large, owing to arrear adjustments in the Madras Presidency.

STATE RAILWAYS.

The state railways show an increase of £55,000, against which must be set an increased expenditure of £49,000. The earnings are expected nearly to equal the working expenses. Hereafter it may be hoped that the earnings will exceed the outgoings, and that by degrees the net earnings will at least cover the interest on the capital expended on the railways open for traffic.

REVENUES AND WHOLE RECEIPTS.

Thus the revenue is estimated to exceed the budget estimate of 1873-74 by £698,000, but to be less than the regular estimate, 1873-74, by £492,000, and, apart from opium, to exceed that estimate by only £215,000.

CIVIL SERVICE ANNUITY FUNDS.

Apart from the ordinary revenue of the year, it is likely that there will eventually be an extraordinary credit of £3,076,000 from the capital of the civil service annuity funds. This credit will not supply ways and means for meeting present expenditure, and has, therefore, not been shown as an estimated receipt: it will be recorded in its proper place in the accounts.

It seems necessary to say a few words in explanation of the transaction which leads to this credit. The funds from which the annuities of the members of the covenanted civil service have hitherto been paid have been provided by the deduction of four per cent. from the allowances of each officer. The Government allowed upon the accumulations thus formed a highly privileged rate of interest, which was charged as interest on service funds, and moreover supplemented the funds by donations, which varied in amount according to the requirements of the funds: these donations were charged under superannuation and other allowances. It was arranged two years ago that this somewhat complex arrangement should cease, the State henceforth undertaking to discharge the annuities of all the members of the covenanted service, and paying their salaries net after deduction of the four per cent. which is estimated to produce in 1874-75 £58,000. A bill has now been introduced into parliament to legalise this measure, which has received the cordial assent of all but a very small minority of the officers of the covenanted civil service. This measure will not in any way affect the capital or constitution of the several civil funds for securing pensions to the widows and orphans of members of the covenanted civil service, which funds are quite distinct from the annuity funds.

EXPENDITURE.

Now as to the grants made for expenditure in 1874-75:—

INTEREST ON FUNDED AND UNFUNDED DEBT.

For interest on funded and unfunded debt, £123,900 less is provided than the present estimate for 1873-74.

Budget Estimates, 1874-75.
Service Grants.

The capital debt of India is now £116,143,224, bearing interest amounting to £5,223,999, as follows:—

Rate of Interest per cent.	Capital. In Rupees.	Capital. In Sterling.	Total.	Interest.
	£	£	£	£
5¼* (capital stock, E. I. Company.)	.....	12,000,000*	12,000,000	630,000
5½	10,199,770	.....	10,199,770	560,987
5	1,095,900	17,200,000	18,295,900	914,795
4½	15,777,480	.....	15,777,480	709,987
4	37,843,554	21,791,700	59,635,254	2,385,410
3½	65,200	.....	65,200	22,820
Nil	1,69,620	.....	169,620	*Nil.*
TOTAL ...	65,151,524	50,991,700	116,143,224	5,223,999

By Act 3 and 4 William IV, cap. 85, sec. 12, provision was made for the redemption on the 30th April 1874 of the capital stock of the East India Company by the payment of £200 for each £100* of the stock, and under sec. 14 of the same statute £2,000,000 (being a portion of the value of the commercial assets) was paid in 1834 by the East India Company to the commissioners for the reduction of the national debt to form a sinking fund, which it was calculated would amount to the required sum of £12,000,000 on the 30th April 1874.* The calculation was, however, erroneous: on the 30th March 1873 the sinking fund amounted to only £7,876,439, 3 per cent. stock, and by the 30th April the market value of the sinking fund can hardly exceed 7½ millions sterling, so that 4½ millions sterling must be borrowed to complete the 12 millions.

On the 3rd January 1874, the Secretary of State in Council gave due notice of the redemption of the stock and offered certain terms to the proprietors. The ultimate effect of the measure will be the reduction of the capital of the debt of India by about 7½ millions sterling and of the interest upon it by £450,000. The whole saving will not, however, accrue in 1874-75; for dividends amounting to £198,484 must be paid in that year to the proprietors of the East India stock as heretofore for 3 months and 25 days. With the addition of £90,000 for half a year's interest on 4½ millions sterling at 4 per cent., the whole sum payable in respect to the stock in 1874-75 will be £288,484, being a saving of £341,516: a further saving of £108,484 will accrue in 1875-76. That the whole of the saving in 1874-75 does not appear upon the estimates, is due to the contemplated loan operations of the year which will cause an increase of more than £200,000 under this head.

INTEREST ON SERVICE FUNDS, &C. The decrease of £178,100 under interest on service funds and other accounts is owing to the surrender of the civil service annuity funds to the Government, the effect and object of which has been already explained.

REFUNDS. Refunds show a decrease of £14,400: it will be very satisfactory if this grant should suffice; its moderate amount is justified by the local estimates and by the tendency of this charge to decrease of late years.

LAND REVENUE. Under land revenue £36,000 is granted more than in 1873-74, and £11,800 more than is now expected to be spent in 1873-74. This excess is provided for some important settlements in Bengal and for an increase to the staff in British Burmah which the growth of the province demands. There is moreover a saving of £17,000 under this head on account of the deduction of four per cent. from the allowances of the covenanted civil service which has hitherto been credited to the annuity funds: so that the real increase compared with the grant for 1873-74 is £53,000, and compared with the regular estimate 1873-74, £28,800.

EXCISE. The decrease of £6,100 under excise is apparent only, an arrear charge of £10,000 having swollen the expenditure in the North-Western Provinces in 1873-74.

SALT. An increase of £16,300 in the salt department is for working the wire tramway to the mines in the Punjab, for a partial re-alignment of the preventive line in the North-Western Provinces, and for the development of the manufacture and distribution in Bombay; all this expenditure is highly reproductive.

STAMPS. Under stamps £29,800 more is wanted in 1874-75 than in 1873-74 chiefly for stores from England.

* The nominal capital of the stock is £6,000,000 and the nominal rate of interest 10½.

Budget Estimates, 1874-75. *Service Grants.*

The mints are expected to cost net £35,000 more than in 1873-74, it being necessary to recruit the stock of copper coin: the outlay will not be completely recouped till 1875-76. The mints are now in full work, and the influx of silver bullion is not over: there is reason to expect that it may continue for some time, there being an evident scarcity of silver coin. At the same time prudence is called for in these estimates. MINTS.

The net increase of charge under the post office, £30,000, is only apparent, the net charge for 1873-74 having been accidentally reduced below the usual amount. The net imperial grant for the post office is £118,000: the provincial grants for postal services amount to £24,433 and the grants from local revenues to £51,196; total £193,629. POST OFFICE.

For telegraphs the sum of £450,000 is provided as in 1873-74, while an increase of £8,000 of revenue is estimated chiefly from the Indo-European line. The expenditure on the Indo-European line is expected to be less than in 1873-74 by £8,400; but a corresponding increase is granted for the Indian lines. The net cost of the Indian lines in 1874-75 is estimated to be £184,000, or £4,000 more than in 1873-74. The net cost of the Indo-European line is estimated to be £20,000, or £10,000 less than in 1873-74; this is satisfactory. TELEGRAPHS.

The total revenues of the telegraphs are expected to amount to £252,000, and the total expenditure to £456,000, leaving a net expenditure of £204,000. Of this net expenditure £76,000 is for construction and £122,000 is for the excess of working expenses over receipts. The remaining £6,000 is for famine relief operations, and will be charged under the head of famine relief. Of the deficiency of revenue £95,000 occurs in the Indian telegraphs, and £9,000 on the Indo-European line, and £18,000 for the interest on the Red Sea line. Of the capital outlay £9,000 is for substituting iron for wooden posts on the Persian line, and the rest is for various lines in India. £27,000 is to be expended on the state railway lines (chiefly the Wardah Valley, the Rajputana and the Indus Valley Railways) £13,000 is for new lines, one of which is from Rawal Pindi to Banu, (the grant for which is £11,000)—and the balance is for insulation of existing lines, additional wires, and reconstruction of old lines.

Under administration the sum of £11,000 is provided for the cost of creating the new province of Assam, and £42,000 more than in 1873-74 is wanted for stationery. On the other hand, there will be a saving in consequence of the resolution of the Governor General in Council that the head-quarters of the Government of India shall remain in Calcutta throughout 1874-75; the sum of £13,000 is also deducted on account of the transfer to Government of the annuity fund as explained under land revenue: and there is a substantial saving in printing. The net result is a small saving of £1,100. ADMINISTRATION.

There is a small increase of £1,800 in the grant for minor departments, the increased provision made for the Burmah immigration fund (£20,000) absorbing the saving from the conclusion of the census and other causes. MINOR DEPARTMENTS.

There is an increase of £44,400 under law and justice for the improvement of the administration of the department in the Punjab and in British Burmah, set off by a decrease of £28,000 on the annuity fund account. Compared with the grant for 1873-74, the provision made is moderate; but some expenditure has been transferred, as already explained, to the provincial estimates. LAW AND JUSTICE.

The net marine charge is increased by £64,800, there having been special receipts in 1873-74. The estimate under this head is normal. MARINE.

The grants for ecclesiastical services are £159,000 in the Civil Department, and £23,337 in the Military Department, total £182,337, or nearly the same as was spent in 1873-74. ECCLESIASTICAL.

For medical services the sum of £187,000 is granted. Adding £473,645 included in the grant for the army (stores and services) and £389,979 granted from provincial funds, the total grant from the revenues for medical services in 1874-75 is £1,050,624, besides £127,582 from local revenues, and besides the pay of regimental medical officers. These figures are substantially the same as in 1873-74. MEDICAL.

The grants for political agencies and allowances and assignments taken together show a net increase of £24,400. POLITICAL AGENCIES AND ALLOWANCES AND ASSIGNMENTS.

Budget Estimate, 1874-75. *Service Grants.* PENSIONS.

Superannuation allowances show a gross increase of £260,700, of which £208,800 is owing to the annuities to covenanted civil servants being now paid directly by the State. This excess with the loss under gain by exchange (£5,400) is more than covered by the decrease under interest on service funds (£192,600), and under the several service heads of land revenue (£17,000), administration (£13,000), and law and justice (£28,000). It must not, however, be supposed that the State will gain permanently by the surrender of the annuity funds; for the charge for the annuities of members of the covenanted civil service is very far from having reached its maximum.

LOSS BY EXCHANGE.

The sum provided for the adjusting entry under loss by exchange is £746,000. It is estimated that the Secretary of State will raise by bills £10,000,000, and that his bills will sell at a fraction worse than 1*s.* 10$\frac{3}{8}$*d.* the rupee. The estimate under this head has usually been too sanguine; but in consequence of the loan operations in prospect, it seems reasonable to expect a rather better exchange this year. But for the proposed loan operations the Secretary of State must have raised £15,000,000 by bills. The exchange upon such a large amount could hardly have been better than 1*s.* 10*d.* the rupee. The adjusting entry under this head must therefore have been £1,364,000. So that the grants from the revenues for the service of the year are less by £618,000 than they must have been if no money were to be borrowed in England.

PROVINCIAL ALLOTMENTS.

The decrease of £41,500 in the provincial allotments is owing to a special grant of £10,000 having been made in 1873-74 for the completion of certain salt buildings in Bombay, to a grant of £20,000 in 1873-74 in aid of the provincial revenues of British Burmah, and to some other special grants in that year.

ARMY.

The army expenditure is estimated at £15,387,000, being less than the amount granted for 1873-74 by £137,000, and more than the expenditure in 1873-74 as now estimated by £121,000. The decrease is the net result of the following circumstances:—

INCREASES.

No deduction is henceforth to be made from the pay of British soldiers for bread and meat rations, and a uniform deduction of nine pies a day is to be made on account of groceries. The effect of this measure is to increase the cost of the British army in India by £70,000. Other items of increase are as follows:—Higher rates of pay to a larger complement of British medical officers, £35,000: increased establishments and allowances for garrison instruction and musketry inspection, £20,000: revised scale of pay and allowance to the educational establishments of the British and Native forces, £6,000: band allowance to regiments of British cavalry and infantry, £5,000: extended operations for the capture of elephants and increased purchases of live stock in the Bengal and Madras Presidencies, £25,000: high prices owing to the scarcity, £25,000: purchase of remounts in the Bengal and Madras Presidencies, £11,000: increased capitation and other charges on account of volunteer corps in Bengal, £4,000: overland troop transport service and passage of officers to England, £60,000;

DECREASES.

On the other hand, there are decreases as follows:—Curtailment in reliefs and movements of troops in the country during 1874-75, ordered on account of the financial pressure arising from the scarcity, £62,000: suspension of camps of exercise, owing to the same cause, £40,000: compensation for difference in value between cloth and serge clothing not being payable in 1874-75 in the Madras and Bombay Presidencies, £20,000: diminished number of officers on general duty in India, £28,000: reductions in the Judge Advocate General's Department in Bengal, £4,000: other miscellaneous items, £100,000. There is a decrease in the home charges of £40,000 for effective service on account of British regiments serving in India. There is moreover a nominal decrease of £160,000 owing to the transfer of the charge for the furlough allowance of officers employed in the civil departments, including the public works department, to the estimates of those departments.

NET EXPENDITURE ON ARMY

The net expenditure on the army in 1874-75 is estimated at only £14,497,000. This is the smallest grant made for the army since 1863-64. The highest net expenditure of the last ten years was £16,038,386 in 1865-66, and even since 1869-70 the net cost of the army has been actually reduced by more than $\frac{3}{4}$ths of a million sterling.

Budget Estimates, 1874-75.

Service grants.

ARMY STATISTICS.

The military force of India in the year 1873-74 was as follows:—6,162 British officers, 60,244 British non-commissioned officers and soldiers, 2,864 volunteers, 123,470 native commissioned and non-commissioned officers and soldiers, 13,238 horses, and 394 field guns.

For 1874-75 the force is estimated as follows:—6,086 British officers, 60,227 British non-commissioned officers and soldiers, 3,804 volunteers, 123,474 native commissioned and non-commissioned officers and soldiers, 13,238 horses, and 394 field guns.

The decrease in the number of British officers is due to retirements, deaths, &c., among the officers of the Indian Staff Corps, and of the general lists; that in the number of British non-commissioned officers and soldiers is due to casualties in the invalid and veteran establishments in Bengal and Madras. The increase in the strength of the volunteers is owing to additions to several of the existing corps, and to the formation of new corps at Darjeeling and in South Behar.

PUBLIC WORKS ORDINARY.

The grant for public works ordinary is £2,505,000, being £151,000 more than the grant for 1873-74. Of the excess £47,000 is nominal, being the charge for furlough allowances to officers serving in the public works department; this charge has hitherto appeared partly under the army and partly under the head of civil furlough allowances. In some particulars the expenditure will be less than in 1873-74. The chief real excess is under the head of agricultural: £100,000 has been granted in excess of the grant for 1873-74 for the construction of new agricultural works, chiefly embankments and canals, and £25,000 for repairs: altogether the grant for agricultural works (£906,200) exceeds the grant made for 1873-74 by £136,600. Recent experience has brought out prominently the importance of maintaining the irrigation works of each province in complete efficiency; it has long been felt difficult to do this without increasing the grant for public works ordinary.

The grant for military works is £1,218,800 as compared with £1,230,000 in 1873-74: of this £593,322 is for original military works, of which £417,212 is to be spent upon the barracks, raising the total sum spent on the barrack scheme to the end of 1874-75 to £7,852,367. The rest (£625,478,) of the grant for military works, is for repairs, establishments, and for the barrack department.

The remainder (£380,000) of the grant is for civil buildings and communications, and miscellaneous public improvements in India, for the civil engineering college in England, for furlough allowances, &c.

If the sum estimated to be spent from provincial revenues in 1874-75 (£1,621,326), be added, the whole grant from the ordinary revenues for public works in 1874-75 is £4,126,326. This is besides £1,643,565 estimated to be spent on public works from local revenues. Thus the grand total estimated ordinary expenditure on public works in 1874-75 is £5,769,891, or £609,025 less than in 1873-74, the provincial and local expenditure of which year includes a considerable sum for relief works.

LAND AND SUPERVISION.

The saving of £46,000 under land and supervision for guaranteed railways, is due to a special charge £66,000 in 1873-74 for the carriage of surplus material belonging to the Great Southern of India line, bought for the Nizam's State Railway, which it was deemed expedient for the Government to bear.

GUARANTEED RAILWAYS.

The gross earnings of the guaranteed companies less half surplus profits (£292,000) are estimated to be £7,387,000, being more than in 1873-74 by £97,000. The working expenses are estimated at £4,085,000, being less than in 1873-74 by £105,000. The net traffic receipts applicable to the discharge of guaranteed interest are estimated at £3,302,000, being more than in 1873-74 by £202,000. The guaranteed interest is estimated at £4,696,000, being more than in 1873-74 by £30,000, and the net charge upon Indian revenues for this interest is estimated at £1,394,000, being less than in 1873-74 by £172,000.

These results give a more favorable impression of the financial condition of these railways than is perhaps warranted by a particular examination of the facts. Of the receipts £261,000 consists of refunds of expenditure originally charged to revenue and now debited to capital. Of this sum £215,000 was spent in repairing the bridges carried away by floods and protective works

Budget Estimates, 1874-75.

Service grants.

on the Sindh Punjab and Delhi line in two consecutive years, and £46,000 on similar works on the Eastern Bengal Railway.

On the other hand, there is a deduction from the receipts of £292,000 half surplus earnings in excess of the guaranteed interest, of which £9,000 is expected to be earned on the Eastern Bengal Railway and the rest on the East Indian Railway. This will be the first time that the Eastern Bengal line has earned such surplus. The half surplus of the East Indian Railway to be paid for the half-year ending 30th June next will amount to more than one per cent. on the capital, which now stands at £27,610,165. The surplus on this line is swollen this year by the extraordinary grain traffic, almost the whole profits of which will appear in the company's accounts for the half-year ending 30th June 1874. The effect upon the Government revenue is, that while the whole increased earnings to the 31st March on account of the active grain traffic are credited in 1873-74, the increased half surplus accruing therefrom to the shareholders will be debited in 1874-75, and will go far to neutralise in that year the extraordinary earnings after the 31st March. Thus the sum originally estimated as net traffic receipts from the East Indian Railway (main line) in 1873-74 was £1,344,000; the present estimate for 1874-75 is for £1,422,300, or only £78,300 more than the original estimate of 1873-74.

Of the other railways the Eastern Bengal Railway shows an improvement of £81,100, the Oudh and Rohilkhund, £35,000, the Great Indian Peninsula, £129,400, the Bombay and Baroda, £20,500. The Madras Railways show a decrease of £14,300, their earnings in 1873-74 having been swollen by the freight of the material for the Nizam's State Railway. The increase in the earnings of the Great Indian Peninsula line is, to the extent of £80,000, nominal; for some years past the company has been permitted to accumulate from its traffic earnings, to meet renewals of permanent-way materials, a reserve fund which now amounts to £250,000. It is not thought desirable further to increase this fund, and contributions to it will now cease.

The financial prospects of the guaranteed railways are better than they have been for some time past, and there is hope of further improvement, as the construction of the railways is completed, and the state railways bring traffic to the guaranteed lines.

TOTAL REVENUE AND EXPENDITURE.

The revenue of late years has been as follows:—

1868-69	49,262,691
1869-70	50,901,081
1870-71	51,413,686
1871-72	50,109,093
1872-73	50,220,360
1873-74 (present estimate)	49,476,000

The sum of £48,984,000 only is estimated for 1874-75.

The ordinary expenditure has been—

	£
1868-69	52,036,722
1869-70	50,782,412
1870-71	49,930,696
1871-72	46,984,915
1872-73	48,456,482
1873-74 (present estimate)	47,657,300

The grants for 1874-75 amount to £47,792,000, notwithstanding the abnormally small provision required under loss by exchange.

There can be little doubt, therefore, that the estimates of revenue and expenditure have been cautiously made. Nevertheless, they bring out a surplus revenue amounting to £1,192,000. It appears therefore that if no extraordinary financial disturbance had occurred, the estimates of 1874-75 would have shown a favourable result.

On the 18th July 1873, the Government of India published a forecast of the proposed expenditure upon state railways and irrigation works to the end of the year 1877-78. The amount which, according to this forecast is to be spent in each year is as follows :— Budget Estimates, 1874-75. EXTRAORDINARY WORKS.

	Canals.	Railways.	Total.
	£	£	£
1874-75	1,475,000	3,000,000	4,475,000
1875-76	1,449,000	3,000,000	4,449,000
1876-77	1,401,000	3,000,000	4,401,000
1877-78	1,304,000	3,000,000	4,304,000
TOTAL ...	5,629,000	12,000,000	17,629,000

Accordingly, the sum of £4,475,000 is now provided for expenditure in 1874-75, to which £88,000 is added for the discharge of certain debentures due upon the Calcutta and South-Eastern line, making a total of £4,563,000.

FINANCIAL CONSEQUENCES OF THE DROUGHT OF 1873 IN NORTHERN INDIA.

It is now necessary to refer to the financial effects of the famine in a part of the province of Bengal. Famine relief.

The operations of the Government have been—

1st.—The purchase of food-grains and its transport to the places where it is wanted.

2nd.—The encouragement of private trade by a reduction of the rates for freight of food-grains on the railways and the suspension of tolls on roads and ferries.

3rd.—The employment of those able to labour, so that they may earn their living.

4th.—Loans to corporations and private persons for the importation of food and the employment of labour.

5th.—The provision of charitable relief.

6th.—The retail of food-grain, through local traders, in places where the supplies through the ordinary channels are cut off.

It is not yet possible to estimate accurately the final net cost to the State of all these operations; but so far as a forecast can now be made, the grain purchased will cost alongside the railways about £4,000,000; the payments to the railway companies as compensation for carrying grain for private traders at reduced rates will aggregate about £450,000 and for carrying Government grain about £450,000; the contracts for the transport of grain, over the main lines only in Tirhoot amount to £435,750; the Durbhanga Railway will cost about £200,000; the reserve cattle and carriage bought in the North-Western Provinces, £80,000; the remaining expenditure for transport, including steam vessels ordered from England and in Calcutta, £499,250; charitable grants may amount to £250,000, and special establishments for supervising the operations will cost £135,000. It is not possible at present to say what will be the gross expenditure on relief works: but it is hoped that it will either take the shape, directly or indirectly, of payment in grain, or that it will be balanced by the recoveries from the sale of grain. The sum of £3,920,000 was actually expended for famine relief in 1873-74; and as the greater part of the grain has now been paid for, there is reason to hope that the future expenditure will not be as large as that already incurred. Thus according to the best estimate that can now be made, the total net direct expenditure by the State will not exceed £6,500,000. Besides this, £500,000 is estimated to be advanced on loan, of which £187,000 was disbursed in 1873-74.

Of the £6,500,000 net expenditure from the revenues thus estimated, the sum of £3,920,000 already actually expended will be charged off finally in the accounts of 1873-74. The remaining gross expenditure, and all recoveries, will be brought to account in 1874-75.

Provincial, local, and municipal Estimates.

The addition to the ordinary expenditure of £3,920,000 in 1873-74 and £2,580,000 in 1874-75 turns the ordinary surplus of £1,818,700 in 1873-74 into a deficit of £2,101,300 and the ordinary surplus of £1,192,000 in 1874-75 into a deficit of £1,388,000.

PROVINCIAL, LOCAL, AND MUNICIPAL REVENUE AND EXPENDITURE, AND RECEIPTS AND DISBURSEMENTS.

SYSTEM OF PROVINCIAL ALLOTMENTS.

It is now more than three years since, by the resolution No. 3334, dated 14th December 1870, the system of provincial allotments for provincial services was introduced by the government of Earl Mayo. The accounts of the provincial receipts and expenditure during the years 1871-72 and 1872-73 are complete; and regular estimates for 1873-74 and budget estimates for 1874-75 are now appended.

Under this system the local governments administer certain important departments termed "provincial services" at their discretion, subject only to a general responsibility to the supreme government and to the maintenance of the principles laid down by Her Majesty's Government for the administration of these departments. The receipts in connection with these services are given up to the local governments, and a fixed assignment is added from the imperial revenues to cover the whole cost of the services. The measure has fulfilled the expectations with which it was introduced; there are fewer controversies and misunderstandings between the supreme government and the local governments; economy has been promoted; and the efficiency of the administration increased.

When the provincial assignments were first made, it was thought that it would be well to amalgamate the provincial and local funds and to frame consolidated accounts of the whole. The proposal was acceptable to the local governments; but it was found to work inconveniently as regards the imperial finances, chiefly because with consolidated provincial and local accounts there were no means of comparing the financial administration of the provincial departments under the present system with their administration before the transfer. It has therefore been necessary to revert to the old practice of keeping the accounts of provincial funds separate from those of local funds. Unexpected difficulty has been found in carrying out the change, and it is not certain that it has yet been satisfactorily effected: there may still be some doubt whether some of the public works expenditure shown as from provincial revenues is not really from local revenues, and *vice versâ*.

The debt accounts and estimates connected with each division of the receipts and expenditure, provincial, local, and municipal, are incorporated in the following total figures throughout, as without them the balances cannot be worked out.

According to the latest estimates the provincial revenues and receipts in 1872-73 were expected to be £6,023,729, the provincial expenditure £6,391,181, and a closing debit balance was expected of £107,392. The actual accounts show the receipts to have been £7,082,225, the expenditure £6,910,820, and the closing balance at credit £541,032.

The provincial revenues and receipts in 1873-74 were first estimated to be £5,857,668, the expenditure £6,497,114, and the closing debit balance £716,835. Including a grant to the Government of Bengal of £250,000 in aid of the expenditure on public works undertaken for the relief of the distressed population, the receipts are now estimated to have been £6,491,000, the expenditure £6,421,300, and the closing credit balance £610,732.

The provincial revenues and receipts in 1874-75 are estimated to be £6,130,200, the expenditure (not including any expenditure on relief works) £6,224,400, and the closing balance £516,532.

SUMMARY, PROVINCIAL REVENUE.

Thus, it appears that if the estimates now made be realised, the provincial revenues during the first four years of their transfer to local Governments will have exceeded the expenditure by £316,532, besides the special grants in aid of provincial funds (£200,000) made on the inauguration of the system in 1870-71.

Local and Municipal Estimates.

LOCAL REVENUES AND RECEIPTS: THEIR NATURE.

The chief local revenues and receipts are from the various cesses upon the land revenue, which are levied chiefly for the construction of local public works and for education, and from tolls on roads and ferries. There is also the pandhari tax in the Central Provinces, and there are some important tolls on canals (Nuddea and Calcutta) in Bengal. The transactions of cantonment funds and port funds, excepting the port trusts of the presidency towns of Bombay and Calcutta, the accounts of which are not on the Government books, are also recorded as local receipts and expenditure. The local cesses or taxes have of late years been reduced in number and simplified, and no fresh cess may now be imposed even by consent, without the permission of the Government of India.

LOCAL REVENUE AND EXPENDITURE, 1872-73.

The local revenues and receipts in 1872-73 were last estimated at £3,593,078, the expenditure at £2,967,601, and the closing balance at £2,848,809. The actual accounts show the receipts to have been £3,521,792, the expenditure £3,288,548, and the closing balance £2,202,672.

1873-74.

The local revenues and receipts during 1873-74 were first estimated at £3,638,725, the expenditure at £3,654,873 and the closing balance at £2,832,656. According to the present estimates the revenues and receipts were £3,664,000, the expenditure £3,845,000, and the closing balances £2,021,672.

1874-75.

It is estimated that the local revenues and receipts in 1874-75 will be £3,171,600, the expenditure £3,627,100, and the closing balance £1,566,172.

Thus during the four years ending 1874-75 the local expenditure will, if the present estimates are realised, have exceeded the receipts by £376,291.

MUNICIPAL INCOME AND EXPENDITURE.

Municipal income and expenditure is shown separately for the first time. The figures given under this head do not include the receipts and expenditure of the municipal corporations of the presidency towns, the accounts of which are not recorded in the public books. But the receipts and charges of all other municipalities are shown under this head, excepting those of municipalities in the Bombay Presidency and certain transactions of other municipalities.

1872-73.

The estimates of municipal receipt and expenditure were, in 1872-73, incorporated in the local revenues and receipts and were not shown separately. The actual municipal revenues and receipts in 1872-73 were £784,558 the expenditure £762,836, and the balance at credit at the close of the year £163,399.

1873-74.

The receipts of 1873-74 are estimated at £765,000 the charges at £786,000, and the closing balances at £142,399.

1874-75.

The receipts of 1874-75 are estimated at £723,000, the charges at £781,000, and the closing balances at £84,399.

There were 1,283 municipal towns in British India in 1872-73 with a population of 14,431,168 souls, and, according to the accounts given in the administration reports which include some transactions not upon the Government books, they had a gross income of £1,658,352, of which £1,384,024 consisted of taxes, and the remainder of receipts other than taxes.

WAYS AND MEANS AND CASH BALANCES.

CLOSING BALANCES, 1872-73.

By the regular estimate it was anticipated that the year 1872-73 would close with a cash balance of £22,138,852, of which £2,838,852 would be at the home treasury and £19,300,000 in the Indian treasuries. The actual balances on the 31st March 1873 amounted to £21,786,138, of which £2,998,445 was in the home treasury and £18,787,693 in the Indian treasuries. The closing balances were thus lower by £352,714 than was expected, and this notwithstanding an improvement of £532,308 upon the whole account of revenues and receipts and expenditure, and notwithstanding also that the accounts of provincial, local, and municipal funds were £49,549 better than the regular estimates.

The causes of this diminution of the balances are as follows:—The Secretary of State's outstanding bills were paid in excess of estimate by £456,897: the disbursements on the deposit account were under-estimated by £250,000; and the net balance of the various remittance transactions

Ways and means and cash balances.

between the home treasury and the Indian treasuries, between the several presidencies and provinces, between the several departments, and between local officers, proved more unfavorable than was expected by £280,000.

HOME TREASURY 1872-73.

Including the portion of the guaranteed railway interest paid from the revenues, the net expenditure from the home treasury in 1872-73 was £10,332,712, and the share of the guaranteed interest payable in England provided from the surplus railway earnings amounted to £2,508,748; besides which a net sum of £528,622 guaranteed railway capital was withdrawn for actual expenditure, and £794,701 was disbursed in excess of the receipts on the several deposit and remittance accounts. Thus the net out-goings of the home treasury aggregated £14,164,783. To meet this the sum of £14,342,136 was raised by bills drawn upon India, the excess of £177,353 being added to the cash balances, which were increased from £2,821,092 to £2,998,445. There was no borrowing and no repayment of debt in England.

INDIAN TREASURIES, 1872-73.

The net revenue in India in 1872-73 after the discharge of all expenditure in India amounted to £9,912,020; the net traffic earnings received from the guaranteed railway companies towards the payment of the guaranteed interest were £2,508,748; provincial, local, and municipal revenues and receipts yielded to the treasury a surplus of £426,371; service funds civil yielded £210,844; savings banks £241,412; sundry obligations £277,582; remittances £407,887; and the receipts of railway capital exceeded the advances by £27,760. Thus the total net receipts amounted to £14,012,624. Secretary of State's bills for the supply of the home treasury were, however, paid for £14,716,904, besides which £1,488,481 (net) public debt was paid off; the payments of advances and deposits exceeded the receipts by £503,516; the transfer from the military funds was £253,878, and a net sum of £259,867 was advanced on loan to native states, corporations, &c. The total net disbursements thus amounted to £17,222,646, exceeding the net receipts by £3,210,022. Accordingly, the balances show a diminution by this amount, *viz.*, from £21,997,715 to £18,787,693.

WHOLE ACCOUNT, 1872-73.

Taking the account as a whole, the deficiency upon the whole account of revenue and expenditure was £420,692: the transfer from military funds amounted to £253,878: loans were made for £259,867 (net): the deposit account including Secretary of State's bills showed a balance of £506,575, and the several remittance accounts £758,523, against the treasury: public debt was paid amounting to £1,488,481: railway capital was withdrawn amounting to £500,862: making the total of net debits £4,188,878. Of this £1,156,209 was provided as follows:—The provincial, local, and municipal receipts exceeded the payments by £426,371: service funds (civil) yielded £210,844: savings banks £241,412, and sundry obligations £277,582. The remaining £3,032,669 were expended from the balances in hand at the beginning of the year, which show a reduction by this amount, *viz.*, from £24,818,807 to £21,786,138.

CLOSING BALANCE, 1873-74.

It was estimated in the budget estimate that at the close of the financial year 1873-74 there would be £2,264,568 in the home treasury and £14,800,000 in the treasuries in India, making a total of £17,064,568. It is now estimated that on the 31st March 1874, there was a sum of £16,143,838 in the treasuries, of which £2,020,145 was in the home treasury and £14,123,693 in the Indian treasuries. The difference between the original and the present estimate (£920,730) is mainly due to the expenditure caused by the famine in Bengal. This expenditure is, as has been stated before, believed to have amounted, including loans, to £4,107,000; so that if it had not occurred, there would have been a cash balance, at the close of the year, of £20,250,838, or £3,186,270 more than the budget estimate.

HOME TREASURY, 1873-74.

Including the Government share of the guaranteed railway interest, the net expenditure from the home treasury against the revenues in 1873-74 is now estimated to have been £10,206,300, and the guaranteed railway interest payable in England provided from surplus earnings £3,064,000, and the net payments on the remittance and deposit accounts are estimated to have been £1,070,900, making a net total of £14,341,200. Of this the Secretary of State borrowed a net sum of £5,000; the railway companies paid in £71,900 more capital than they withdrew; and the sum of £13,286,000 was raised by

bills; total £13,362,900; the deficiency, £978,300, was taken from the balance in the home treasury at the beginning of the year, which has accordingly been reduced from £2,998,445 to £2,020,145. Ways and means and cash balances.

The net revenue in India in 1873-74, after defraying all expenditure in India, is estimated to have been £4,564,000, and the net traffic earnings towards the guaranteed interest £3,064,000: service funds, civil, yield £115,700; savings banks contribute net £409,000; deposits £276,400; sundry obligations £230,000; remittances £989,000; and the net receipts of railway capital amounted to £60,700. But £13,280,700 has been paid on the Secretary of State's bills; the net sum of £132,300 has been paid for provincial and local services in excess of the receipts from these funds; £361,900 has been transferred to revenue from the military funds, £539,300 (net) advanced on loan to corporations, &c., and public debt amounting to £58,600 has been discharged. Thus, while the net receipts amount to £9,708,800, the net payments amount to £14,372,800; the excess (£4,664,000) has been taken from the cash balances, which have accordingly been reduced from £18,787,693 to £14,123,693. INDIAN TREASURIES, 1873-74.

Taking the account as a whole, it is estimated that the total deficit of ways and means on the account of revenue and expenditure was £5,642,300; that £132,300 more was withdrawn on account of provincial and local revenues than was paid in; that £361,900 (net) was paid out from the military funds, that £539,300 (net) was advanced on loans to corporations; that the balance of the several remittance accounts was against the treasury by £78,600, and that the permanent debt was reduced by £53,600 (net). Thus the total of the net debits amounted to £6,808,000. The net credits were as follows: the service funds, civil, yielded £115,700; savings banks the unusually large sum of £409,000 owing to certain abuses which have been corrected, and deposits £278,400; £230,000 (net) was received on the sundry obligation account and £132,600 net railway capital. Thus the total of the net receipts amounted to £1,165,700. So that the cash balances have been reduced by £5,642,300 (from £21,786,138 to £16,143,838). WHOLE ACCOUNT, 1873-74.

It is now estimated that the deficit upon the whole account of revenue and expenditure in 1874-75 will be £5,951,000; that the balances at credit of provincial, local, and municipal funds will be reduced by £607,700; that £358,300 will be transferred to credit of revenue from the military funds; that £500,000 (net) will be required for loans to corporations, &c., and that the net sum of £1,468,700 railway capital will be withdrawn. The total net debits will thus be £8,885,700. The several remittance accounts, including the Secretary of State's bills, are estimated to be in equilibrium. The only net receipts expected are £99,800 from the civil service funds, £420,000 on the deposit account and £263,400 on the account of sundry obligations. The net deficit on the whole account of ways and means in 1874-75 is thus estimated to be £8,102,500, which will be met by borrowing £8,500,000, the excess of £397,500 being added to the cash balances. CLOSING BALANCE, 1874-75.

The net expenditure from the home treasury in 1874-75, including the Government share of the guaranteed interest payable in England chargeable against the revenue, is estimated at £10,569,400; and the portion of the guaranteed interest supplied by the surplus earnings and payable in England at £3,266,000; the railway capital withdrawn is expected to exceed that paid in by £1,035,800, and the payments on the remittance account are expected to be more than the receipts by £880,200. Thus the net outgoings to be provided for from the home treasury are £15,751,400, of which the Secretary of State proposes to provide £751,400 by reducing his cash balance. Of the remainder, £5,000,000 will be borrowed, and £10,000,000 raised by bills upon India. HOME TREASURY, 1874-75.

It is estimated that the revenue in India in 1874-75 will exceed the expenditure in India by £4,618,400; that the net guaranteed railway earnings received for remittance to England will be £3,266,000; that service funds, civil, will yield net £99,800; that the deposit account will yield net £420,000; that the receipts on the several remittance accounts will exceed the disbursements by £880,200; and that sundry obligations will yield £263,400. On the other hand, it is estimated that the net sum of £607,700 will be withdrawn from provincial, INDIAN TREASURIES, 1874-75.

Ways and means and cash balances.

local, and municipal funds; that the transfer from service funds, military, will be £358,300; that £500,000 will be required for loans to native states, corporations, and individuals, and that £432,900 railway capital will be paid in excess of receipts; so that, apart from the supply of the home treasury, the total net disbursements will be £1,898,900. Deducting the net disbursements (£1,898,900) from the net receipts (£9,547,800), a net sum of £7,648,900 only is available to meet the bills to be drawn by the Secretary of State for the supply of the home treasury, which will, as has been shown, amount to £10,000,000. Thus there is a deficiency of £2,351,100, to cover which and raise the cash babances (by £1,148,900) to £15,272,593, it is proposed if necessary to borrow during the year £3,500,000 as explained below.

Loan operations.

LOAN OPERATIONS.

DEBT INCURRED AND DISCHARGED, 1872-73.

The sum of £110,000 was borrowed in 1872-73, being a portion of the 4½ per cent. loan in course of receipt from the Mahárájá Holkar for the construction of the Indore State Railway; and the sum of £1,598,508 was paid off as follows:—promissory notes of the 5½ per cent. and 4½ per cent. long-currency loans for £477,160 were bought early in the year, the balances in hand being more than were immediately required: an instalment of the 5 per cent. debenture loan of 1867-68 fell due and was paid off to the amount of £233,400; and outstanding notes of the discharged 4 per cent. loans of 1854-55 and 1856-57 were presented and paid to the amount of £887,270. There were a few minor operations. The whole funded debt was reduced by the net amount of £1,488,481.

1873-74.

The operations of 1873-74 were not important. Further instalments of the loan from Mahárájá Holkar were received, but they were balanced by further payments of the outstanding notes of the discharged 5 per cent. loans, so that the debt was reduced by the net amount of £53,600.

When the notes of the 5½ per cent. and 4½ per cent. loans of long currency were bought at the beginning of 1872-73, some notes of the shorter-currency 4½ per cent. loans and of the 4 per cent. loans were also purchased, and held bearing no interest, as a temporary investment of the cash balances; they are now being re-issued as notes of the 4 per cent. loans; the aggregate amount was £682,400, of which notes for £350,000 were sold in 1873-74.

1874-75.

To provide funds for the service of 1874-75, it will be necessary as has been explained to borrow £8,500,000. Of this sum the Secretary of State has undertaken to borrow £5,000,000 in England at once. Of the remainder, £860,000 is due from the Mahárája Sindhia and Holkar for the construction of the Gwalior and Indore State Railways; the balance will be raised in India or England as may appear most convenient.

EXPENDITURE OF MONEY BORROWED SINCE 1867-68.

A return (No. VII) is appended to this statement which carries to the end of 1872-73 the statements given for the last three years by Sir Richard Temple, showing all money borrowed since the policy of borrowing money for reproductive works was first publicly defined, side by side with the amount spent on reproductive works during this period, and the net loans to corporations, &c. This statement shows that the whole of the money borrowed to the end of 1872-73 was less, by £45,831, than the amount disbursed for reproductive works and loans to corporations, &c.: the expenditure of this character in 1873-74 has been met without increasing the registered public debt.

The separation of the extraordinary from the ordinary expenditure was first made in 1867-68. From the beginning of that year to the end of 1872-73, it is estimated that expenditure amounting to £9,553,543 was classified in the accounts as extraordinary. During the same period, the deficit on the whole account was £6,845,555; to which must be added the sum of £1,765,256 credited to revenue during these years from the military and medical funds, for these credits do not supply ways and means; the whole true deficit is thus raised to £8,610,811, which is less than the expenditure on reproductive works by

£942,732. During the same period the net sum of £12,716,654 was raised by loan, and the acc[redacted]ds thus— Miscellaneous.

	£
Actual deficit upon the whole account	8,610,811
Advances made and deposits repaid (net), excluding the military funds credited as revenue	508,449
Cash balances raised from £15,155,834 to £21,786,138 ...	6,630,304
	15,749,564

which has been thus provided—

Borrowed	12,716,654
Excess railway capital paid in	3,032,341
Net receipts on the remittance accounts	569
	15,749,564

MISCELLANEOUS.

PAPER CURRENCY.

The circulation of paper currency which in 1872-73 exceeded 13 millions sterling has in the past year fallen to a much lower range, and now hardly exceeds 9 millions sterling. The main cause of this falling-off is to be traced to the reduction of the Government cash balances which during the past two years have been gradually absorbed in expenditure on canals and railways. The decrease in the reserves at the presidency towns has been accelerated by the heavy expenditure for the relief of the distress in Bengal.

Concurrently with these extraordinary demands, which have involved the provision of large amounts of specie at various points in the provinces, has occurred the usual demand for silver for the opium crop, and for the staple food, seed, and fibre crops. The food crops having been largely bought for home consumption, their purchase has not led to the sale of commercial bills on England, which would have occurred had the demand been for export, and the rates of sterling exchange have not responded so immediately as would have been the case if the demand had been of an ordinary commercial character. The consequence has been a great temporary deficiency of currency at the monetary centres, which is reflected in the paper currency circulation. The considerable importations of silver bullion recently made, and further amounts now expected, will tend to remove this inconvenience.

The circulation of five-rupee notes has continued to advance, though slowly, notwithstanding the falling-off in the general circulation.

MONEY ORDERS.

The money order department shows little change from the figures given in March 1873. Two hundred and ninety-one offices are now open, against 302 in 1873: the small decrease arises from the closure of offices whose transactions were found to be nearly nominal. In the number of orders issued there is a slight increase from 251,123 last year to 269,435 in the year just completed. Their amount has also risen from £1,251,411 to £1,292,163.

The overland money order system has continued to afford a convenient mode of remitting to England small sums of money: 756 orders were drawn in 1873-74 on India for £2,603 and 9,306 upon England for £54,458. The system has as yet yielded little or no profit to the State.

SAVINGS BANKS.

There has been during the past year a steady increase in the business of the Government savings banks scattered throughout the country: 137 district banks are now open in the Bengal Presidency holding £111,552 from 5,325 depositors. In Bombay it became necessary to check the abuse of the system, as it was found that persons opened numerous accounts in the same name, thus obtaining a rate of interest for money at call higher than was given by the banks. The total amount of deposits in Government savings banks of all descriptions at the end of 1873-74 is estimated at £1,887,163, and the depositors exceed 63,000.

GOLD CURRENCY.

The price of gold relatively to silver has been such that no gold has been tendered at the Government treasuries or at the offices of the currency department.

PRICE OF GOVERNMENT SECURITIES.

The price of Government securities has been firm for the greater part of the year. In Calcutta four per cent. rupee paper has been more than once (28th July and 30th October) quoted at 105¼. The lowest quotation was

Miscellaneous. 99⅜ on the 18th March since when there has been a considerable recovery. The price of enfaced rupee paper in London varies with the rate of exchange: the highest quotation for four per cents. was 97½ on the 3rd October, the lowest 94 on the 27th November. The highest price [illegible] four per cents. was 104 at the beginning of July, the lowest 101 on the 27th November and 11th December. The rupee securities enfaced for the payment of interest in England by drafts on India increased from £12,991,592 at the close of 1872-73 to £13,282,245 at the close of 1873-74.

PRESIDENCY BANKS. Negotiations have been conducted for renewed arrangements for the conduct of the business of the Government by the presidency banks at the presidency towns and elsewhere, but are not quite complete. Meanwhile the late agreements have been renewed, terminable after three months' notice from either party.

By order of His Excellency the Viceroy and Governor General in Council.

FORT WILLIAM,
FINANCIAL DEPARTMENT,
23rd April 1874.

R. B. CHAPMAN,
Secretary to the Government of India.

STATEMENTS.

I.

REVENUE AND EXPENDITURE OF THE

Estimates,

REVENUE.	Accounts, 1872-73.	Budget Estimates, 1873-74.	Regular Estimates, 1873-74.	Increase.	Decrease.	Budget Estimates, 1874-75.	Budget Estimates, 1874-75, compared with Regular Estimates, 1873-74.
CIVIL.	£	£	£	£	£	£	£
I.—Land Revenue ...	21,348,669	21,180,000	21,039,500	...	140,500	21,404,000	+ 364,500
II.—Tributes and contributions from N. States	741,465	722,000	768,300	46,300	...	726,000	— 42,300
III.—Forest	570,337	584,000	619,500	35,500	...	606,000	— 13,500
IV.—Excise on spirits and drugs	2,323,788	2,218,000	2,285,100	67,100	...	2,286,000	+ 900
V.—Assessed taxes ...	580,139	10,000	19,600	9,600	...	Nil.	— 19,600
VI.—Customs	2,653,890	2,649,000	2,624,600	...	24,400	2,738,000	+ 113,400
VII.—Salt	6,165,630	6,144,000	6,151,000	7,000	...	6,079,000	— 72,000
VIII.—Opium	8,684,691	7,500,000	8,322,000	822,000	...	7,615,000	— 707,000
IX.—Stamps	2,608,512	2,629,000	2,697,800	68,800	...	2,708,000	+ 10,200
X.—Mint	54,261	40,000	66,500	26,500	...	124,000	+ 57,500
XI.—Post office ...	580,312	719,000	720,000	1,000	...	695,000	— 25,000
XII.—Telegraph	249,802	225,000	244,000	19,000	...	252,000	+ 8,000
XIII.—Law and justice ...	392,686	380,000	357,500	...	22,500	333,000	— 24,500
XIV.—Marine	209,814	179,000	220,700	41,700	...	201,000	— 19,700
XV.—Interest	506,779	472,000	460,500	...	11,500	462,000	+ 1,500
XVI.—Receipts in aid of superannuation, retired and compassionate Allowances	587,078	662,000	685,400	23,400	...	679,000	— 6,400
XVII.—Gain by exchange on transactions with London	301,436	306,900	376,800	69,900	...	322,000	— 54,800
XVIII.—Miscellaneous ...	248,583	206,100	265,200	59,100	...	195,000	— 70,200
TOTAL ...	48,807,872	46,826,000	47,924,000	1,098,000	...	47,425,000	— 499,000
Army	906,853	870,000	960,000	90,000	...	890,000	— 70,000
Public works, ordinary ...	75,567	73,000	87,000	14,000	...	83,000	— 4,000
Irrigation	413,535	478,000	465,000	...	13,000	491,000	+ 26,000
State railways	16,533	39,000	40,000	1,000	...	95,000	+ 55,000
GRAND TOTAL ...	50,220,360	48,286,000	49,476,000	1,190,000	...	48,984,000	— 492,000
Deficit, excluding P. W. extraordinary	...	...	2,101,300	...	...	1,388,000	— 713,300
Deficit, including P. W. extraordinary	420,692	3,658,000	5,642,300	1,984,300	...	5,951,000	+ 308,700

Fort William;
Financial Department,
The 23rd April 1874.

EDWARD GAY,
Deputy Comptroller General.

GOVERNMENT OF INDIA IN INDIA AND IN ENGLAND.

1874-75.

EXPENDITURE.	ACCOUNTS, 1872-73.	BUDGET ESTIMATES, 1873-74.	REGULAR ESTIMATES, 1873-74.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1874-75.	BUDGET ESTIMATES, 1874-75, COMPARED WITH REGULAR ESTIMATES, 1873-74.
CIVIL.	£	£	£	£	£	£	£
1.—INTEREST ON FUNDED AND UNFUNDED DEBT ...	5,301,669	5,234,000	5,250,900	16,900	...	5,127,000	—123,900
2.—INTEREST ON SERVICE FUNDS AND OTHER ACCOUNTS ...	555,789	536,000	537,100	1,100	...	359,000	—178,100
3.—REFUNDS AND DRAWBACKS ...	325,065	301,000	276,400	...	24,600	262,000	—14,400
4.—LAND REVENUE ...	2,453,891	2,477,000	2,501,200	24,200	...	2,513,000	+11,800
5.—FOREST	392,838	420,000	410,100	...	9,900	443,000	+32,900
6.—EXCISE ON SPIRITS AND DRUGS	130,557	91,000	93,100	2,100	...	87,000	—6,100
7.—ASSESSED TAXES ...	13,244	1,000	2,100	1,100	...	Nil	—2,100
8.—CUSTOMS	180,375	185,000	184,300	...	700	186,000	+1,700
9.—SALT	476,680	480,000	473,700	...	6,300	490,000	+16,300
10.—OPIUM	1,814,268	2,115,000	1,996,000	...	119,000	2,115,000	+119,000
11.—STAMPS	92,101	120,000	87,200	...	32,800	117,000	+29,800
12.—MINT	84,753	63,000	75,500	12,500	...	168,000	+92,500
13.—POST OFFICE	690,627	820,000	808,000	...	12,000	813,000	+5,000
14.—TELEGRAPH	484,140	450,000	419,200	...	30,800	450,000	+30,800
15.—ADMINISTRATION ...	1,533,560	1,586,000	1,560,100	...	25,900	1,559,000	—1,100
16.—MINOR DEPARTMENTS ...	360,465	312,000	321,200	9,200	...	323,000	+1,800
17.—LAW AND JUSTICE ...	2,222,175	2,310,000	2,262,600	...	47,400	2,279,000	+16,400
18.—MARINE	556,236	581,000	482,900	...	98,100	528,000	+45,100
19.—ECCLESIASTICAL	152,330	157,000	159,600	2,600	...	159,000	—600
20.—MEDICAL	184,291	187,000	186,900	...	100	187,000	+100
21.—POLITICAL AGENCIES ...	390,816	440,000	357,500	...	82,500	445,000	+87,500
22.—ALLOWANCES AND ASSIGNMENTS UNDER TREATIES AND ENGAGEMENTS ...	1,749,890	1,721,000	1,785,100	64,100	...	1,722,000	—63,100
23.—CIVIL FURLOUGH AND ABSENTEE ALLOWANCES ...	156,059	162,000	277,000	115,000	...	277,000	...
24.—SUPERANNUATION, RETIRED AND COMPASSIONATE ALLOWANCES	1,576,253	1,530,000	1,563,700	33,700	...	1,818,000	+254,300
25.—LOSS BY EXCHANGE ON TRANSACTIONS WITH LONDON ...	765,109	850,000	985,700	135,700	...	746,000	—239,700
26.—MISCELLANEOUS ...	267,697	71,000	84,700	13,700	...	70,000	—14,700
27.—ALLOTMENTS FOR PROVINCIAL SERVICES	5,223,190	4,969,000	5,071,500	102,500	...	5,030,000	—41,500
FAMINE RELIEF	...	...	3,920,000	3,920,000	...	2,580,000	—1,340,000
TOTAL CIVIL ...	28,134,068	28,169,000	32,133,300	3,964,300	...	30,853,000	—1,280,300
ARMY	15,503,612	15,524,000	15,266,000	...	258,000	15,387,000	+121,000
PUBLIC WORKS, ORDINARY ...	2,525,241	2,354,000	2,382,000	28,000	...	2,505,000	+123,000
STATE RAILWAYS	17,914	52,000	55,000	3,000	...	104,000	+49,000
LAND AND SUPERVISION (GUARANTEED RAILWAYS)	165,146	177,000	175,000	...	2,000	129,000	—46,000
GUARANTEED INTEREST, LESS NET TRAFFIC RECEIPTS	2,110,501	1,790,000	1,566,000	...	224,000	1,394,000	—172,000
TOTAL ORDINARY ...	48,456,482	48,066,000	51,577,300	3,511,300	...	50,372,000	—1,205,300
PUBLIC WORKS, EXTRAORDINARY ...	2,184,570	3,878,000	3,541,000	...	337,000	4,563,000	+1,022,000
GRAND TOTAL ...	50,641,052	51,944,000	55,118,300	3,174,300	...	54,935,000	—183,300
SURPLUS, EXCLUDING P. W. EXTRAORDINARY	1,763,878	220,000	...	...	...	...	...
GROSS GUARANTEED INTEREST	4,658,401	4,690,000	4,666,000	...	24,000	4,696,000	+30,000
NET TRAFFIC RECEIPTS ...	2,547,900	2,900,000	3,100,000	200,000	...	3,302,000	+202,000
GUARANTEED INTEREST LESS NET TRAFFIC RECEIPTS	2,110,501	1,790,000	1,566,000	...	224,000	1,394,000	—172,000

E. F. HARRISON,
Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

II

REVENUE AND EXPENDITURE OF THI

Estimates

REVENUE.	ACCOUNTS, 1872-73.	BUDGET ESTIMATES, 1873-74.	REGULAR ESTIMATES, 1873-74.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1874-75.	BUDGET ESTIMATES, 1874-75, COMPARED WITH REGULAR ESTIMATES, 1873-74.
	£	£	£	£	£	£	£
I.—LAND REVENUE ...	21,348,669	21,180,000	21,039,500	...	140,500	21,404,000	+ 364,500
II.—TRIBUTES AND CONTRIBUTIONS FROM NATIVE STATES	741,465	722,000	768,300	46,300	...	726,000	— 42,300
III.—FOREST	570,337	584,000	619,500	35,500	...	606,000	— 13,500
IV.—EXCISE ON SPIRITS AND DRUGS	2,323,788	2,218,000	2,285,100	67,100	...	2,286,000	+ 900
V.—ASSESSED TAXES ...	580,139	10,000	19,600	9,600	...	...	— 19,600
VI.—CUSTOMS	2,653,890	2,649,000	2,624,600	...	24,400	2,738,000	+ 113,400
VII.—SALT	6,165,630	6,144,000	6,151,000	7,000	...	6,079,000	— 72,000
VIII.—OPIUM	8,684,691	7,500,000	8,322,000	822,000	...	7,615,000	— 707,000
IX.—STAMPS	2,608,512	2,629,000	2,697,800	68,800	...	2,708,000	+ 10,200
X.—MINT	54,250	40,000	66,500	26,500	...	124,000	+ 57,500
XI.—POST OFFICE ...	580,312	719,000	720,000	1,000	...	695,000	— 25,000
XII.—TELEGRAPH	229,186	219,400	239,700	20,300	...	241,200	+ 1,500
XIII.—LAW AND JUSTICE ...	392,686	380,000	357,500	...	22,500	333,000	— 24,500
XIV.—MARINE	207,943	179,900	220,700	41,700	...	201,000	— 19,700
XV.—INTEREST	439,553	457,000	393,500	...	63,500	447,000	+ 53,500
XVI.—RECEIPTS IN AID OF SUPERANNUATION, RETIRED AND COMPASSIONATE ALLOWANCES	494,335	571,400	590,800	19,400	...	584,400	— 6,400
XVII.—GAIN BY EXCHANGE ON TRANSACTIONS WITH LONDON	301,436	306,900	376,800	69,900	...	322,000	— 54,800
XVIII.—MISCELLANEOUS ...	241,617	200,100	242,200	42,100	...	187,000	— 55,200
	48,618,439	46,708,800	47,735,100	1,026,300	...	47,296,600	— 438,500
ARMY	885,545	857,000	933,000	76,000	...	870,000	— 63,000
PUBLIC WORKS, ORDINARY ...	64,202	56,000	70,800	14,800	...	64,300	— 6,500
IRRIGATION	413,535	478,000	465,000	...	13,000	491,000	+ 26,000
STATE RAILWAYS	16,533	39,000	40,000	1,000	...	95,000	+ 55,000
TOTAL ORDINARY ...	49,998,254	48,138,800	49,243,900	1,105,100	...	48,816,900	— 427,000

FORT WILLIAM;
FINANCIAL DEPARTMENT,
The 23rd April 1874.

EDWARD GAY,
Deputy Comptroller General.

OVERNMENT OF INDIA IN INDIA.

874-75.

EXPENDITURE.	Accounts, 1872-73.	Budget estimates, 1873-74.	Regular estimates, 1873-74.	Increase.	Decrease.	Budget estimates, 1874-75.	Budget estimates, 1874-75, compared with regular estimates, 1873-74.
	£	£	£	£	£	£	£
1.—Interest on funded and unfunded debt ...	2,834,764	2,792,400	2,816,500	24,100	...	2,917,000	+ 100,500
2.—Interest on service funds and other accounts ...	555,789	536,000	537,100	1,100	...	359,000	— 178,100
3.—Refunds and drawbacks ...	325,065	301,000	276,400	...	24,600	262,000	— 14,400
4.—Land revenue ...	2,449,957	2,473,600	2,497,300	23,700	...	2,509,400	+ 12,100
5.—Forest ...	388,118	417,700	405,200	...	12,500	440,000	+ 34,800
6.—Excise on spirits and drugs	130,557	91,000	93,100	2,100	...	87,000	— 6,100
7.—Assessed taxes ...	13,244	1,000	2,100	1,100	...	...	— 2,100
8.—Customs ...	180,375	185,000	184,300	...	700	186,000	+ 1,700
9.—Salt ...	476,646	480,000	473,300	...	6,700	490,000	+ 16,700
10.—Opium ...	1,813,976	2,115,000	1,996,000	...	119,000	2,115,000	+ 119,000
11.—Stamps ...	83,452	74,800	64,900	...	9,900	70,500	+ 5,600
12.—Mint ...	80,890	59,500	70,100	10,600	...	82,000	+ 11,900
13.—Post office ...	616,412	742,800	736,000	...	6,800	733,600	— 2,400
14.—Telegraph ...	362,756	374,000	336,900	...	37,100	382,100	+ 45,200
15.—Administration ...	1,232,709	1,232,900	1,234,500	1,600	...	1,191,500	— 43,000
16.—Minor departments ...	310,308	283,700	288,000	4,300	...	283,600	— 4,400
17.—Law and justice ...	2,218,895	2,306,600	2,262,100	...	44,500	2,277,000	+ 14,900
18.—Marine ...	360,836	357,600	363,300	5,700	...	383,200	+ 19,900
19.—Ecclesiastical ...	150,938	156,100	157,500	1,400	...	158,100	+ 600
20.—Medical ...	176,262	180,200	180,100	...	100	180,200	+ 100
21.—Political agencies ...	343,734	398,500	322,000	...	76,500	402,000	+ 80,000
22.—Allowances and assignments under treaties and engagements ...	1,730,554	1,701,700	1,765,800	64,100	...	1,702,600	— 63,200
24.—Superannuation, retired, and compassionate allowances ...	701,514	688,000	660,700	...	27,300	700,000	+ 39,300
25.—Loss by exchange on transactions with London ...	765,109	850,000	985,700	135,700	...	746,000	— 239,700
26.—Miscellaneous ...	78,635	42,000	58,500	16,500	...	44,800	— 13,700
27.—Allotments for provincial services ...	5,223,130	4,969,000	5,071,500	102,500	...	5,030,000	— 41,500
Famine relief ...	...	...	3,907,000	3,907,000	...	2,522,000	—1,385,000
TOTAL ...	23,604,745	23,810,100	27,745,900	3,935,800	...	26,254,600	—1,491,300
Army ...	11,979,327	11,844,900	11,866,500	21,600	...	11,869,700	+ 3,200
Public works, ordinary ...	2,438,080	2,301,000	2,256,500	...	44,500	2,421,200	+ 164,700
State Railways ...	17,914	52,000	55,000	3,000	...	104,000	+ 49,000
Land and supervision (guaranteed railways) ...	165,146	177,000	175,000	...	2,000	129,000	— 46,000
	38,205,212	38,185,000	42,098,900	3,913,900	...	40,778,500	—1,320,400
Public works, extraordinary	1,881,022	3,045,800	2,581,000	...	464,800	3,420,000	+ 839,000
GRAND TOTAL ...	40,086,234	41,230,800	44,679,900	3,449,100	...	44,198,500	— 481,400

E. F. HARRISON,
Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

II

REVENUE AND EXPENDITURE AT THE HOM

Estimates

REVENUE.	Accounts, 1872-73.	Budget Estimates, 1873-74.	Regular Estimates, 1873-74.	Increase.	Decrease.	Budget Estimates, 1874-75.	Budget Estimates, 1874-75, compared with Regular Estimate 1873-74.
	£	£	£	£	£	£	£
X.—Mint ...	11	...	...	...	...	...	...
XII.—Telegraph ...	20,616	5,600	4,300	...	1,300	10,800	+6,500
XIV.—Marine ...	1,871	...	...	...	...	...	...
XV.—Interest	67,226	15,000	67,000	52,000	...	15,000	—52,000
XVI.—Receipts in aid of superannuation, retired and compassionate allowances	92,743	90,600	94,600	4,000	...	94,600	...
XVIII.—Miscellaneous ...	6,966	6,000	23,000	17,000	...	8,000	—15,000
TOTAL ...	189,433	117,200	188,900	71,700	...	128,400	—60,50
Army	21,308	13,000	27,000	14,000	...	20,000	—7,0
Public works, ordinary ...	11,365	17,000	16,200	...	800	18,700	+2,5
GRAND TOTAL ...	222,106	147,200	232,100	84,900	...	167,100	—65,0

Fort William;
FINANCIAL DEPARTMENT,
The 23rd April 1874.

EDWARD GAY,
Deputy Comptroller General.

REASURY OF THE GOVERNMENT OF INDIA.

874-75.

EXPENDITURE.	Accounts, 1872-73.	Budget Estimates, 1873-74.	Regular Estimates, 1873-74.	Increase.	Decrease.	Budget Estimates, 1874-75.	Budget Estimates, 1874-75, compared with Regular Estimates, 1873-74.
	£	£	£	£	£	£	£
1.—Interest on funded and unfunded debt ...	2,466,905	2,441,600	2,434,400	...	7,200	2,210,000	— 224,400
4.—Land revenue ...	3,934	3,400	3,900	500	...	3,600	— 300
5.—Forest	4,720	2,300	4,900	2,600	...	3,000	— 1,900
9.—Salt	34	...	400	400	...	...	— 400
0.—Opium	292	...	...	...	...	...	...
1.—Stamps	8,649	45,200	22,300	...	22,900	46,500	+ 24,200
2.—Mint	3,663	3,500	5,400	1,900	...	86,000	+ 80,600
3.—Post office	74,215	77,200	72,000	...	5,200	79,400	+ 7,400
4.—Telegraph	121,384	76,000	82,300	6,300	...	67,900	— 14,400
5.—Administration ...	300,851	353,100	325,600	...	27,500	367,500	+ 41,900
6.—Minor departments ...	50,157	28,300	33,200	4,900	...	39,400	+ 6,200
7.—Law and justice ...	3,280	3,400	500	...	2,900	2,000	+ 1,500
8.—Marine	195,400	223,400	119,600	...	103,800	144,800	+ 25,200
9.—Ecclesiastical	1,392	900	2,100	1,200	...	900	— 1,200
0.—Medical	8,029	6,800	6,800	...	...	6,800	...
1.—Political agencies ...	47,082	41,500	35,500	...	6,000	43,000	+ 7,500
2.—Allowances and assignments under treaties and engagements	19,336	19,300	19,300	...	...	19,400	+ 100
3.—Civil, furlough and absentee allowances ...	156,059	162,000	277,000	115,000	...	277,000	...
4.—Superannuation, retired and compassionate allowances	874,739	842,000	903,000	61,000	...	1,118,000	+ 215,000
6.—Miscellaneous	189,002	29,000	26,200	...	2,800	25,200	— 1,000
Famine relief	...	...	13,000	13,000	...	58,000	+ 45,000
TOTAL ...	4,529,323	4,358,900	4,387,400	28,500	...	4,598,400	+ 211,000
RMY	3,524,285	3,679,100	3,399,500	...	279,600	3,517,300	+ 117,800
UBLIC WORKS, ORDINARY ...	87,161	53,000	125,500	72,500	...	83,800	— 41,700
UARANTEED INTEREST LESS NET TRAFFIC RECEIPTS	2,110,501	1,796,000	1,566,000	...	224,000	1,394,000	— 172,000
	10,251,270	9,881,000	9,478,400	...	402,600	9,593,500	+ 115,100
UBLIC WORKS, EXTRAORDINARY ...	303,548	832,200	960,000	127,800	...	1,143,000	+ 183,000
GRAND TOTAL ...	10,554,818	10,713,200	10,438,400	...	274,800	10,736,500	+ 298,100

E. F. HARRISON,
Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

IV.
PROVINCIAL REVENUE AND EXPENDITURE.
Estimates, 1874-75.

REVENUE.	Accounts, 1872-73.	Budget Estimates, 1873-74.	Regular Estimates, 1873-74.	Regular Estimates compared with Budget Estimates, 1873-74.	Budget Estimates, 1874-75.	Budget Estimates, 1874-75, compared with Regular Estimates, 1873-74.
	£	£	£	£	£	£
Opening balance ...	369,627	541,032	541,032	...	610,732	+ 69,700
Imperial allotment for provincial services ...	5,223,190	5,061,649	5,071,500	+ 9,851	5,030,000	— 41,500
Special allotment for the famine in Bengal ...	...	...	250,000	+ 250,000	...	— 250,000
Taxes, rates and cesses—						
On lands ...	...	...	...	...	...	...
On houses ...	1,291	1,150	1,200	+ 50	1,200	...
Assessed taxes ...	...	...	...	...	...	...
Miscellaneous Taxes—						
Octroi ...	...	...	...	...	...	...
Licenses ...	...	...	...	...	...	...
Miscellaneous ...	...	...	...	...	...	...
	1,291	1,150	1,200	+ 50	1,200	...
Departmental receipts—						
Jails ...	196,283	259,682	259,672	— 10	306,975	+ 47,303
Registration ...	172,255	165,235	171,253	+ 6,018	180,373	+ 9,120
Police ...	97,792	80,294	84,374	+ 4,080	84,860	+ 486
Education ...	87,601	95,405	96,168	+ 763	103,997	+ 7,829
Medical ...	30,653	13,295	14,688	+ 1,393	22,827	+ 8,139
Printing ...	11,176	11,522	14,217	+ 2,695	15,776	+ 1,559
Marine ...	...	...	...	...	...	...
	595,760	625,433	640,372	+ 14,939	714,808	+ 74,436
Miscellaneous receipts—						
Tolls ...	3,236	3,390	4,000	+ 610	3,310	— 690
Port dues ...	...	...	...	...	...	...
Interest ...	...	...	...	...	...	...
Rents ...	51	...	...	...	...	...
Sale of lands, houses, &c. ...	...	...	...	...	...	...
Miscellaneous fees and fines ...	11,403	8,193	7,674	— 519	10,867	+ 3,193
Voluntary contributions ...	...	...	...	...	...	...
Sundry receipts ...	20,045	17,157	20,126	+ 2,969	13,855	— 6,271
	34,735	28,740	31,800	+ 3,060	28,032	— 3,768
Contributions from local funds ...	143,846	138,974	105,600	— 33,374	189,620	+ 84,020
Public works ...	127,020	50,054	93,028	+ 42,974	56,540	— 36,488
Total revenue ...	6,125,842	5,906,000	6,193,500	+ 287,500	6,020,200	— 173,300
Debt accounts ...	956,383	84,000	297,500	+ 213,500	110,000	— 187,500
GRAND TOTAL ... £	7,451,852	6,531,032	7,032,032	+ 501,000	6,740,932	— 291,100

EXPENDITURE.	Accounts, 1872-73.	Budget Estimates, 1873-74.	Regular Estimates, 1873-74.	Regular Estimates, compared with Budget Estimates, 1873-74.	Budget Estimates, 1874-75.	Budget Estimates, 1874-75, compared with Regular Estimates, 1873-74.
	£	£	£	£	£	£
Refunds ...	9,141	3,652	3,735	+ 83	4,373	+ 638
Collection of taxes and cesses ...	...	...	...	...	...	...
Jails ...	599,854	645,516	662,918	+ 17,402	717,219	+ 54,301
Registration ...	112,620	120,695	115,867	— 4,828	127,311	+ 11,444
Police ...	2,115,292	2,119,943	2,074,637	— 45,306	2,112,485	+ 37,848
Education ...	645,542	745,059	694,309	— 50,750	754,795	+ 60,486
Medical ...	380,185	432,978	391,159	— 41,819	389,979	— 1,180
Printing ...	134,586	145,978	158,352	+ 12,374	148,769	— 9,583
Marine ...	6,122	6,428	6,428	...	6,938	+ 510
Minor establishments—						
General management ...	*13,273*	*4,928*	*2,248*	*— 2,680*	*2,314*	*+ 66*
Collection of tolls, rents, &c.	*146*	...	...	...	...	...
Collection of cattle trespass fines ...	...	...	...	...	...	...
Cemeteries ...	*4,209*	*3,553*	*3,225*	*— 328*	*3,924*	*+ 699*
District post ...	*24,088*	*27,729*	*25,178*	*— 2,551*	*24,433*	*— 745*
Miscellaneous establishments	*4,063*	*31,930*	*4,818*	*— 26,412*	*11,831*	*+ 7,013*
	45,779	67,440	35,469	— 31,971	42,502	+ 7,033
Office rent, rates and taxes ...	51,026	58,930	57,506	— 1,424	55,998	— 1,508
Miscellaneous ...	105,471	88,566	117,213	+ 28,647	105,902	— 11,311
Contributions to local funds ...	14,163	29,257	384,257	+ 355,000	24,803	— 359,454
	4,219,781	4,464,442	4,701,850	+ 237,408	4,491,074	— 210,776
Public works ...	1,668,828	1,881,558	1,870,950	— 10,608	1,621,326	— 249,624
			6,572,800			
Deduct probable savings			218,000			
Total expenditure ...	5,888,609	6,346,000	6,354,800	+ 8,800	6,112,400	— 242,400
Debt accounts ...	1,022,211	88,000	66,500	— 21,500	112,000	+ 45,500
Closing balance ..	541,032	97,032	610,732	+ 513,700	516,532	— 94,200
GRAND TOTAL ... £	7,451,852	6,531,032	7,032,032	+ 501,000	6,740,932	— 291,100

Fort William;
Financial Department,

EDWARD GAY,

E. F. HARRISON,

R. B. CHAPMAN,

LOCAL REVENUE AND EXPENDITURE.

Estimates, 1874-75.

REVENUE.	ACCOUNTS, 1872-73.	BUDGET ESTIMATES, 1873-74.	REGULAR ESTIMATES, 1873-74.	REGULAR ESTIMATES COMPARED WITH BUDGET ESTIMATES, 1873-74.	BUDGET ESTIMATES, 1874-75.	BUDGET ESTIMATES, 1874-75 COMPARED WITH REGULAR ESTIMATES, 1873-74.
	£	£	£	£	£	£
OPENING BALANCE ..	1,969,428	2,202,672	2,202,672	...	2,021,672	—181,000
TAXES, RATES AND CESSES—						
On lands ...	1,824,668	1,794,917	1,737,929	—56,988	1,799,236	+61,307
On houses ...	47,846	40,532	40,980	+448	44,950	+3,970
Assessed taxes ...	68,154	22,433	22,527	+94	17,563	—4,964
Miscellaneous TAXES—						
Octroi ...	476	8,365	8,964	+599	8,444	—520
Licenses ...	20,519	23,664	24,417	+753	24,694	+277
Miscellaneous ...	8,608	6,150	6,028	—122	7,107	+1,079
	1,970,271	1,896,061	1,840,845	—55,216	1,901,994	+61,149
DEPARTMENTAL RECEIPTS—						
Jails ...	24,249	4,600	4,600	...	5,000	+400
Registration ...	1,263	800	800	...	1,000	+200
Police ...	15,913	16,899	14,348	—2,551	18,899	+4,551
Education ...	55,634	20,965	21,192	+227	47,023	+25,831
Medical ...	...	121	120	—1	121	+1
Printing ...	...	870	870	...	820	—50
Marine ...	24,898	13,510	13,510	...	3,365	—10,145
	121,957	57,765	55,440	—2,325	76,228	+20,788
MISCELLANEOUS RECEIPTS—						
Tolls ...	366,702	384,780	381,446	—3,334	381,394	—52
Port dues ...	80,063	71,220	71,604	+384	59,380	—12,224
Interest ...	36,352	20,570	20,615	+45	15,354	—5,261
Rents ...	65,668	77,244	80,844	+3,600	72,471	—8,373
Sale of lands, houses, &c.	16,032	4,250	5,272	+1,022	4,225	—1,047
Miscellaneous fees and fines	158,295	152,817	152,409	—408	162,318	+9,909
Voluntary contributions ...	66,310	144,040	269,026	+124,986	119,926	—149,100
Sundry receipts ...	578,892	277,846	295,071	+17,225	148,583	—146,488
	1,368,314	1,132,767	1,276,287	+143,520	963,651	—312,636
CONTRIBUTIONS ...	...	201,954	456,954	+255,000	150,018	—306,936
PUBLIC WORKS ...	29,240	19,653	15,100	—4,553	63,300	+48,200
TOTAL REVENUE ...	3,489,782	3,308,200	3,644,626	+336,426	3,155,191	—489,435
DEBT ACCOUNTS ...	32,010	7,800	19,374	+11,574	16,409	—2,965
GRAND TOTAL ... £	5,491,220	5,518,672	5,866,672	+348,000	5,193,272	—673,400

EXPENDITURE.	ACCOUNTS, 1872-73.	BUDGET ESTIMATES, 1873-74.	REGULAR ESTIMATES, 1873-74.	REGULAR ESTIMATES, COMPARED WITH BUDGET ESTIMATES, 1873-74.	BUDGET ESTIMATES, 1874-75.	BUDGET ESTIMATES, 1874-75, COMPARED WITH REGULAR ESTIMATES, 1873-74.
	£	£	£	£	£	£
REFUNDS ...	7,276	2,047	4,595	+2,548	5,362	+767
COLLECTION OF TAXES AND CESSES. ...	16,010	19,363	17,795	—1,568	16,809	—986
JAILS ...	7,328	856	856	...	956	+100
REGISTRATION ...	338	740	740	...	517	—223
POLICE ...	285,328	300,667	292,264	—8,403	317,178	+24,914
EDUCATION ...	255,357	282,220	273,519	—8,701	312,344	+38,825
MEDICAL ...	69,788	113,218	110,073	—3,145	127,582	+17,509
PRINTING ...	1,779	805	955	+150	798	—157
MARINE ...	61,214	68,283	68,831	+548	52,262	—16,569
MINOR ESTABLISHMENTS—						
General management ...	*81,518*	*54,016*	*54,074*	*+58*	*59,109*	*+5,035*
Collection of tolls, rents, &c.	*11,663*	*39,327*	*37,350*	*—1,977*	*31,329*	*—6,021*
Collection of cattle trespass fines. ...	*15,168*	*26,999*	*25,237*	*—1,662*	*14,695*	*—10,542*
Cemeteries ...	*189*	...	*190*	*+190*	*100*	*—90*
District post ...	*46,925*	*51,301*	*49,495*	*—1,806*	*51,196*	*+1,701*
Miscellaneous establishments	*442,601*	*427,010*	*434,420*	*+7,410*	*457,363*	*+22,943*
	598,064	598,553	600,766	+2,213	613,792	+13,026
OFFICE RENT, RATES AND TAXES. ...	64	72	72	...	93	+21
MISCELLANEOUS ...	243,679	105,510	117,762	+12,252	152,589	+34,827
CONTRIBUTIONS ...	275,618	442,954	306,107	—136,847	366,324	+60,217
	1,821,838	1,935,288	1,794,335	—140,953	1,966,606	+172,271
PUBLIC WORKS ...	1,436,568	1,806,940	2,125,956	+319,016	1,643,565	—482,391
			3,920,291			
DEDUCT PROBABLE SAVINGS...			100,000			
TOTAL EXPENDITURE ...	3,258,406	3,742,228	3,820,291	+78,063	3,610,171	—210,120
DEBT ACCOUNTS ...	30,142	6,772	24,709	+17,937	16,929	—7,780
CLOSING BALANCE ...	2,202,672	1,769,672	2,021,672	+252,000	1,566,172	—455,500
GRAND TOTAL ... £	5,491,220	5,518,672	5,866,672	+348,000	5,193,272	—673,400

FORT WILLIAM;
FINANCIAL DEPARTMENT,
The 23rd April 1874.

EDWARD GAY,
Deputy Comptroller General.

E. F. HARRISON,
Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

VI.

MUNICIPAL INCOME AND EXPENDITURE THROUGH GOVERNMENT TREASURIES

Estimates, 1874-75.

INCOME.

INCOME.	Ajmere, Coorg, Indore, &c.	Oudh.	Central Provinces.	British Burma.	Bengal.	North-West Provinces.	Punjab.	Madras.	Bombay.	Total
	£	£	£	£	£	£	£	£		£
Opening balance ...	2,260	563	1,720	22,517	17,691	27,170	59,329	11,149		142,39
Taxes, rates and cesses—										
On lands	...	...	81	...	...	...	...	...		8
On houses	109	800	1,127	385	33,140	3,500	2,934	29,996		121,98
Assessed taxes	270	...	...	17,795	540	...	...	525		19,13
Miscellaneous taxes—										
Octroi	4,200	38,000	40,897	...	...	136,400	163,513	...		383,01
Licenses	...	300	...	10,074	2,060	9,900	3,165	6,165		31,66
Miscellaneous	...	1,200	1,006	...	...	1,050	...	...		3,25
	4,570	40,300	43,111	28,254	35,740	150,850	169,612	36,686		559,12
Miscellaneous receipts—										
Tolls	...	400	2	1,527	9,560	2,050	...	31,604		45,143
Interest	...	100	...	...	...	600	...	...		700
Rents	43	3,200	1,087	16,509	3,330	14,600	3,483	...		42,252
Sale of lands, houses, &c.	...	...	...	264	...	200	155			619
Miscellaneous fees and fines	144	500	508	4,667	3,230	3,550	2,288	4,058		18,945
Voluntary contributions	...	...	271	...	...	130	...	1,961		2,362
Sundry receipts	348	4,800	948	4,798	3,840	8,120	7,709	14,723		45,286
	535	9,000	2,816	27,765	19,960	29,250	13,635	52,346		155,30
Contributions	...	...	...	...	...	...	984	5,986		6,97
Public works	...	...	...	...	...	...	...	...		...
Total income	5,105	49,300	45,927	56,019	105,700	180,100	184,231	95,018		721,40
Debt accounts	...	...	...	1,600	...	...	...	...		1,60
GRAND TOTAL ... £	7,365	49,863	47,647	80,136	123,391	207,270	243,560	106,167		865,39

No Municipal Funds on Government Books.

EXPENDITURE.

EXPENDITURE.	Ajmere, Coorg, Indore, &c.	Oudh.	Central Provinces.	British Burma.	Bengal.	North-West Provinces.	Punjab.	Madras.	Bombay.	Total
	£	£	£	£	£	£	£	£		£
Refunds	...	...	...	...	...	2,450	...	...		2,45
Collection of taxes and cesses ...	...	5,700	...	487	...	17,900	6,138	...		30,22
Police	1,015	12,600	8,064	12,776	37,810	40,900	44,378	...		157,54
Education	117	430	1,936	...	970	5,950	7,399	6,999		23,71
Medical	134	500	1,724	580	2,400	6,350	10,180	13,067		34,93
Minor establishments—										
General management	500	700	3,396	4,984	13,450	3,600	6,809	...		33,43
Collection of tolls, rents, &c. ...	...	...	...	...	...	350	...	...		35
Collection of cattle trespass fines ...	...	...	...	...	...	650	...	...		65
Miscellaneous establishments ...	1,452	8,500	12,195	12,208	12,710	36,850	33,828	37,199		154,94
	1,952	9,200	15,591	17,192	26,160	41,450	40,637	37,199		189,38
Miscellaneous	369	3,000	6,657	2,048	4,500	9,930	2,376	13,430		42,31
	3,587	31,430	33,972	33,083	71,840	124,930	111,108	70,695		480,55
Public works	4,372	18,360	15,438	30,267	34,160	63,470	92,015	35,909		293,99
Total expenditure ...	7,959	49,790	49,410	63,350	106,000	188,400	203,123	106,514		774,54
Debt accounts	...	...	...	...	...	...	6,454	...		6,45
Closing balance ...	—594	73	—1,763	16,786	17,391	18,870	33,983	—347		84,39
GRAND TOTAL ... £	7,365	49,863	47,647	80,136	123,391	207,270	243,560	106,167		865,39

No Municipal Funds on Government Books.

FORT WILLIAM;
FINANCIAL DEPARTMENT,
The 23rd April 1874.

EDWARD GAY, *Deputy Comptroller General.*

E. F. HARRISON, *Comptroller General.*

R. B. CHAPMAN, *Secy. to the Govt. of Ind*

ACCOUNT OF MONEY RAISED ON LOAN, AND OF EXTRAORDINARY EXPENDITURE AND LOANS TO CORPORATIONS, FROM 1869-70 TO THE CLOSE OF 1872-73.

	£	£	£
LOANS RAISED—			
ENGLAND—			
Proceeds of 4 per cent. stock	7,876,674		
DEDUCT—			
Debt paid off	506,300		
		7,370,374	
INDIA—			
Proceeds of 4 per cent. stock ...	6,797,139		
Loan from the Maharaja Holkar for Indore state railway	560,000		
	7,357,139		
DEDUCT—			
Debt paid off	3,854,962		
		3,502,177	
			10,872,551
EXTRAORDINARY RECEIPTS—Loans recovered—			
Port Canning municipality	...	22,500	
East Coast canal, Madras	6,498		
Ootacamund municipality	849		
		7,347	
Bombay special fund	28,150		
Bombay municipality	84,642		
Bombay port trust	82,788		
Elphinstone land and press Co.	130,000		
Pandharpur municipality	4,069		
Sholapur municipality	1,000		
		330,649	
Kumaon municipality	...	400	
Simla municipality	...	903	
			361,799
			11,234,350

	£	£	£
EXTRAORDINARY EXPENDITURE—			
Irrigation works { India	3,381,919		
{ England	1,098,654		
		4,480,573	
State railways ... { India	2,122,576		
{ England	575,901		
		2,698,477	
Bombay special fund	...	401,383	
			7,580,433
LOANS—			
To Calcutta municipality	665,757		
Calcutta port fund	176,500		
Calcutta port trust	172,124		
Burdwan municipality and Dancoonee drainage	10,377		
		1,024,758	
Madras municipality	126,000		
East Coast canal, Madras	6,498		
Ootacamund municipality	2,000		
Chitrapur local fund board	2,500		
		136,998	
Bombay municipality	320,000		
Bombay port trust fund	2,139,155		
Elphinstone land and press Co. ...	30,000		
Pandharpur municipality	7,617		
Sholapur ditto	1,000		
		2,497,772	
Cawnpore ditto	...	10,000	
Amritsar ditto	19,000		
Simla ditto	5,620		
		24,620	
Nagpore ditto	...	5,600	
			3,699,748
			11,280,181
Disbursements in excess of receipts ...	...	...	45,831
			11,234,350

CALCUTTA;
COMPTROLLER GENERAL'S OFFICE,
The 23rd April 1874.

EDWARD GAY,
Deputy Comptroller General.

E. F. HARRISON,
Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

V

RECEIPTS AND DISBURSEMENTS AT THE TREASURIES O

RECEIPTS.	ACCOUNTS, 1872-73.	BUDGET ESTIMATES, 1873-74.	REGULAR ESTIMATES, 1873-74.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1874-75.	ESTIMATES, 1874-75, COMPARED WITH REGULA ESTIMATES, 1873-74.
	£	£	£	£	£	£	£
I.—OPENING BALANCE ...	24,818,807	22,138,852	21,786,138	...	352,714	16,143,838	— 5,642,30
II.—IMPERIAL REVENUE ...	50,220,360	48,286,000	49,476,000	1,190,000	...	48,984,000	— 492,00
III.—TRAFFIC EARNINGS OF GUARANTEED RAILWAYS	6,889,281	7,145,500	7,290,000	144,500	...	7,387,000	+ 97,00
IV.—PROVINCIAL REVENUE ...	7,082,225	5,990,000	6,491,000	501,000	...	6,130,200	— 360,80
V.—LOCAL REVENUE ...	3,521,792	3,316,000	3,664,000	348,000	...	3,171,600	— 492,40
VI.—MUNICIPAL INCOME ...	784,558	721,000	765,000	44,000	...	723,000	— 42,00
VII.—SERVICE FUNDS, CIVIL ...	925,109	1,000,600	869,600	...	131,000	479,500	— 390,10
VIII.—SERVICE FUNDS, MILITARY	2,655	3,900	4,900	1,000	...	3,500	— 1,40
IX.—LOANS TO NATIVE STATES CORPORATIONS AND INDIVIDUALS REPAID ...	178,969	75,800	114,500	38,700	...	110,000	— 4,50
X.—SAVINGS BANKS DEPOSITS	898,994	893,200	1,209,000	315,800	...	900,000	— 309,00
XI.—OTHER DEPOSITS RECEIVED & ADVANCES RECOVERED	11,928,761	8,255,000	9,408,800	1,153,800	...	8,500,000	— 908,80
XII.—LOCAL REMITTANCES ...	927,078	295,000	125,800	...	169,200	280,000	+ 154,20
XIII.—INTER-PROVINCIAL AND INTER-DEPARTMENTAL TRANSACTIONS ...	19,056,585	20,620,000	18,638,000	...	1,982,000	17,376,000	— 1,262,00
XIV.—REMITTANCE ACCOUNT WITH THE HOME TREASURY ...	1,312,822	1,360,300	1,499,000	138,700	...	1,082,600	— 416,40
XV.—SECRETARY OF STATE'S BILLS ON INDIA SOLD...	14,342,136	13,500,000	13,286,000	...	214,000	10,000,000	— 3,286,00
XVI.—SUNDRY OBLIGATIONS INCURRED ...	610,276	573,200	506,500	...	66,700	533,000	+ 26,50
XVII.—PUBLIC DEBT INCURRED...	943,480	1,100,200	2,017,800	917,600	...	9,138,400	+ 7,120,60
XVIII.—GUARANTEED RAILWAY CAPITAL RECEIVED ...	3,452,378	2,859,675	2,872,500	12,825		2,153,200	— 719,30
TOTAL ...	147,896,266	138,134,227	140,024,538	4,805,925	2,915,614	133,095,838	— 6,928,70

Abstract of the above shewing how th

ACCOUNTS, 1872-73.				REGULAR EST	
	£		£		£
CASH BALANCE REDUCED ...	3,032,669	DEFICIT OF IMPERIAL REVENUE ...	420,692	CASH BALANCE REDUCED ...	5,642,300
PROVINCIAL, LOCAL AND MUNICIPAL REVENUE ...	426,371	SERVICE FUNDS, MILITARY ...	253,878	SERVICE FUNDS, CIVIL ...	115,700
SERVICE FUNDS, CIVIL ...	210,844	LOANS TO NATIVE STATES, CORPORATIONS AND INDIVIDUALS ...	259,867	SAVINGS BANKS DEPOSITS ...	409,0
SAVINGS BANKS DEPOSITS ...	241,412	DEPOSITS, AND ADVANCES RECOVERABLE, &C. ...	506,575	DEPOSITS RECEIVED AND ADVANCES RECOVERED ...	278,4
SUNDRY OBLIGATIONS ...	277,582	REMITTANCES ...	758,523	SUNDRY OBLIGATIONS ...	230,0
		PUBLIC DEBT PAID OFF ...	1,488,481	GUARANTEED RAILWAY CAPITAL RECEIVED ...	132,6
		GUARANTEED RAILWAY CAPITAL WITHDRAWN ...	500,862		
TOTAL ...	4,188,878	TOTAL ...	4,188,878	TOTAL ...	6,808,

FORT WILLIAM;
FINANCIAL DEPARTMENT,
The 23rd April 1874.

EDWARD GAY,
Deputy Comptroller Gen

II.

THE GOVERNMENT OF INDIA, IN INDIA AND IN ENGLAND.

DISBURSEMENTS.	ACCOUNTS, 1872-73.	BUDGET ESTIMATES, 1873-74.	REGULAR ESTIMATES, 1873-74.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1874-75.	ESTIMATES, 1874-75, COMPARED WITH REGULAR ESTIMATES, 1873-74.
	£	£	£	£	£	£	£
1.—IMPERIAL EXPENDITURE ...	50,641,052	51,944,000	55,118,300	3,174,300	...	54,935,000	— 183,300
2.—WORKING EXPENSES OF GUARANTEED RAILWAYS ...	4,341,381	4,245,500	4,190,000	...	55,500	4,085,000	— 105,000
3.—INTEREST ON GUARANTEED RAILWAY CAPITAL SUPPLIED FROM SURPLUS EARNINGS...	2,547,900	2,900,000	3,100,000	200,000	...	3,302,000	+ 202,000
4.—PROVINCIAL EXPENDITURE ...	6,910,820	6,434,000	6,421,300	...	12,700	6,224,400	— 196,900
5.—LOCAL EXPENDITURE ...	3,288,548	3,749,000	3,845,000	96,000	...	3,627,100	— 217,900
6.—MUNICIPAL EXPENDITURE ...	762,836	782,000	786,000	4,000	...	781,000	— 5,000
7.—SERVICE FUNDS, CIVIL ...	714,265	892,700	753,900	...	138,800	379,700	— 374,200
8.—SERVICE FUNDS, MILITARY ...	256,533	358,300	366,800	8,500	...	361,800	— 5,000
9.—LOANS ADVANCED TO NATIVE STATES CORPORATIONS AND INDIVIDUALS ...	438,836	178,000	653,800	475,800	...	610,000	— 43,800
10.—SAVINGS BANKS DEPOSITS WITHDRAWN ...	657,582	666,500	800,000	133,500	...	900,000	+ 100,000
11.—OTHER DEPOSITS REPAID AND ADVANCES MADE ...	12,435,336	9,147,800	9,130,400	...	17,400	8,080,000	— 1,050,400
12.—LOCAL REMITTANCES ...	641,761	260,000	227,300	...	32,700	280,000	+ 52,700
13.—INTER-PROVINCIAL AND INTER-DEPARTMENTAL TRANSACTIONS ...	19,746,908	20,820,000	18,638,000	...	2,182,000	17,376,000	— 1,262,000
14.—REMITTANCE ACCOUNT WITH THE HOME TREASURY ...	1,291,571	1,306,600	1,481,400	174,800	...	1,082,600	— 398,800
15.—SECRETARY OF STATE'S BILLS ON INDIA PAID ...	14,716,904	13,500,000	13,280,700	...	219,300	10,000,000	— 3,280,700
16.—SUNDRY OBLIGATIONS DISCHARGED ...	332,691	278,900	276,500	...	2,400	269,600	— 6,900
17.—PUBLIC DEBT DISCHARGED ...	2,431,961	833,900	2,071,400	1,237,500	...	638,400	— 1,433,000
18.—GUARANTEED RAILWAY CAPITAL WITHDRAWN ...	3,953,240	2,772,459	2,739,900	...	32,559	3,621,900	+ 882,000
19.—CLOSING BALANCE ...	21,786,138	17,064,568	16,143,838	...	920,730	16,541,338	+ 397,500
TOTAL ...	147,896,266	138,134,227	140,024,538	5,504,400	3,614,089	133,095,838	— 6,928,700

ays and means are provided.

IATES, 1873-74.		BUDGET ESTIMATES, 1874-75.			
	£		£		£
DEFICIT OF IMPERIAL REVENUE ...	5,642,300	SERVICE FUNDS, CIVIL ...	99,800	CASH BALANCE INCREASED ...	397,500
DEFICIT OF PROVINCIAL, LOCAL AND MUNICIPAL REVENUE	132,300	DEPOSITS RECEIVED AND ADVANCES RECOVERED ...	420,000	DEFICIT OF IMPERIAL REVENUE ...	5,951,000
SERVICE FUNDS, MILITARY ...	361,900	SUNDRY OBLIGATIONS ...	263,400	DEFICIT OF PROVINCIAL, LOCAL AND MUNICIPAL REVENUE ...	607,700
LOANS TO NATIVE STATES, CORPORATIONS AND INDIVIDUALS	539,300	PUBLIC DEBT INCURRED ...	8,500,000	SERVICE FUNDS, MILITARY ...	358,300
REMITTANCES	78,600			LOANS TO NATIVE STATES, CORPORATIONS AND INDIVIDUALS	500,000
PUBLIC DEBT PAID OFF ...	53,600			GUARANTEED RAILWAY CAPITAL WITHDRAWN ...	1,468,700
TOTAL ...	6,808,000	TOTAL ...	9,283,200	TOTAL ...	9,283,200

E. F. HARRISON,
Comptroller General.

R. B. CHAPMAN,
Secretary to the Govt. of India.

RECEIPTS AND DISBURSEMENTS AT THE INDIA

RECEIPTS.	Accounts, 1872-73.	Budget estimates, 1873-74.	Regular estimates, 1873-74.	Increase.	Decrease.	Budget estimates, 1874-75.	Estimates, 1874-75, compared with regular estimates, 1873-74.
	£	£	£	£	£	£	£
I.—Opening balance ...	21,997,715	19,300,000	18,787,693	...	512,307	14,123,693	— 4,664,000
II.—Imperial revenue ...	49,998,254	48,138,800	49,243,900	1,105,100	...	48,816,900	— 427,000
III.—Traffic earnings of guaranteed railways	6,889,281	7,145,500	7,290,000	144,500	...	7,387,000	+ 97,000
IV.—Provincial revenue ...	7,082,225	5,990,000	6,491,000	501,000	...	6,130,200	— 360,800
V.—Local revenue ...	3,521,792	3,316,000	3,664,000	348,000	...	3,171,600	— 492,400
VI.—Municipal income ...	784,558	721,000	765,000	44,000	...	723,000	— 42,000
VII.—Service funds, civil ...	925,109	1,000,600	869,600	...	131,000	479,500	— 390,100
VIII.—Service funds, military	2,655	3,900	4,900	1,000	...	3,500	— 1,400
IX.—Loans to native states corporations and individuals re-paid ...	178,969	75,800	114,500	38,700	...	110,000	— 4,500
X.—Savings banks deposits	898,994	893,200	1,209,000	315,800	...	900,000	— 309,000
XI.—Other deposits received & advances recovered	11,927,224	8,252,000	9,402,800	1,150,800	...	8,497,000	— 905,800
XII.—Local remittances ...	927,078	295,000	125,800	...	169,200	280,000	+ 154,200
XIII.—Inter-provincial and inter-departmental transactions ...	19,056,585	20,620,000	18,638,000	...	1,982,000	17,376,000	— 1,262,000
XIV.—Remittance account with the home treasury ...	1,103,415	1,230,300	1,257,100	26,800	...	1,019,600	— 237,500
XV.—Secretary of state's bills on India sold ...	...	...	...	...	...	...	...
XVI.—Sundry obligations incurred ...	610,276	573,200	506,500	...	66,700	533,000	+ 26,500
XVII.—Public debt incurred	943,480	1,100,200	992,800	...	107,400	4,138,400	+ 3,145,600
XVIII.—Guaranteed railway capital received ...	2,514,021	1,339,200	1,425,400	86,200	...	1,319,600	— 105,800
TOTAL ...	129,361,631	119,994,700	120,787,993	3,761,900	2,968,607	115,008,993	— 5,779,000

Abstract of the above showing how ti

ACCOUNTS, 1872-73.				REGULAR ES	
	£		£		£
Cash balance reduced ...	3,210,022	Service funds, military ...	253,878	Cash balance reduced ...	4,664,000
Imperial revenue ...	8,912,020	Loans to native states corporations and individuals	259,867	Imperial revenue ...	4,564,000
Guaranteed railways traffic earnings ...	2,508,748	Deposits and advances recoverable ...	503,516	Guaranteed railways traffic earnings ...	3,064,000
Surplus of provincial, local and municipal revenue ...	426,371	Secretary of state's bills paid	14,716,904	Service funds, civil ...	115,700
Service funds, civil ...	210,844	Public Debt paid off ...	1,488,481	Savings banks deposits ...	409,000
Savings banks deposits ...	241,412			Deposits received and advances recovered ...	276,400
Remittances ...	407,887			Sundry obligations ...	230,000
Sundry obligations ...	277,582			Remittances ...	989,000
Guaranteed railway capital received ...	27,760			Guaranteed railway capital received ...	60,700
TOTAL ...	17,222,646	TOTAL ...	17,222,646	TOTAL ...	14,372,800

Fort William;
Financial Department,
The 23rd April 1874.

EDWARD GAY,
Deputy Comptroller Gener

REASURIES OF THE GOVERNMENT OF INDIA.

DISBURSEMENTS.	Accounts, 1872-73.	Budget Estimates, 1873-74.	Regular Estimates, 1873-74.	Increase.	Decrease.	Budget Estimates, 1874-75.	Estimates, 1874-75, compared with Regular Estimates, 1873-74.
	£	£	£	£	£	£	£
1.—Imperial expenditure ...	40,086,234	41,230,800	44,679,900	3,449,100	...	44,198,500	— 481,400
2.—Working expenses of guaranteed railways ...	4,341,381	4,245,500	4,190,000	...	55,500	4,085,000	— 105,000
3.—Interest on guaranteed railway capital supplied from surplus earnings ...	39,152	38,000	36,000	...	2,000	36,000	...
4.—Provincial expenditure ...	6,910,820	6,434,000	6,421,300	...	12,700	6,224,400	— 196,900
5.—Local expenditure ...	3,288,548	3,749,000	3,845,000	96,000	...	3,627,100	— 217,900
6.—Municipal expenditure ...	762,836	782,000	786,000	4,000	...	781,000	— 5,000
7.—Service funds, civil ...	714,265	892,700	753,900	...	138,800	379,700	— 374,200
8.—Service funds, military ...	256,533	358,300	366,800	8,500	...	361,800	— 5,000
9.—Loans advanced to native states, corporations and individuals ...	438,836	178,000	653,800	475,800	...	610,000	— 43,800
10.—Savings banks deposits withdrawn ...	657,582	666,500	800,000	133,500	...	900,000	+ 100,000
11.—Other deposits repaid and advances made ...	12,430,740	9,144,800	9,126,400	...	18,400	8,077,000	— 1,049,400
12.—Local remittances ...	641,761	260,000	227,300	...	32,700	280,000	+ 52,700
13.—Inter-provincial and inter-departmental transactions ...	19,746,908	20,820,000	18,638,000	...	2,182,000	17,376,000	— 1,262,000
14.—Remittance account with the Home Treasury ...	290,522	163,900	166,600	2,700	...	139,400	— 27,200
15.—Secretary of State's bills on India paid ...	14,716,904	13,500,000	13,280,700	...	219,300	10,000,000	— 3,280,700
16.—Sundry obligations discharged ...	332,694	278,900	276,500	...	2,400	269,600	— 6,900
17.—Public debt discharged ...	2,431,961	833,900	1,051,400	217,500	...	638,400	— 413,000
18.—Guaranteed railway capital withdrawn ...	2,486,261	1,618,400	1,364,700	...	253,700	1,752,500	+ 387,800
19.—Closing balance ...	18,787,693	14,800,000	14,123,693	...	676,307	15,272,593	+ 1,148,900
TOTAL ...	129,361,631	119,994,700	120,787,993	4,387,100	3,593,807	115,008,993	— 5,779,000

ays and means are provided

ATES, 1873-74.		BUDGET ESTIMATES, 1874-75.			
	£		£		£
EFICIT OF PROVINCIAL, LOCAL AND MUNICIPAL REVENUE ...	132,300	Imperial revenue ...	4,618,400	Cash balance increased ...	1,148,900
RVICE FUNDS, MILITARY ...	361,900	Guaranteed railways traffic earnings ...	3,266,000	Deficit of provincial, local and municipal revenue	607,700
ANS TO NATIVE STATES, CORPORATIONS AND INDIVIDUALS	539,300	Service funds, civil ...	99,800	Service funds, military ...	358,300
CRETARY OF STATE'S BILLS PAID ...	13,280,700	Deposits received and Advances recovered ...	420,000	Loans to native states, corporations and individuals	500,000
BLIC DEBT PAID OFF ...	58,600	Remittances ...	880,200	Secretary of state's bills paid ...	10,000,000
		Sundry obligations ...	263,400	Guaranteed railway capital withdrawn ...	432,900
		Public debt incurred ...	3,500,000		
TOTAL ...	14,372,800	TOTAL ...	13,047,800	TOTAL	13,047,800

E. F. HARRISON,
Comptroller General.

R. B. CHAPMAN,
Secretary to the Govt. of India.

X

RECEIPTS AND DISBURSEMENTS AT THE TRE

RECEIPTS.	ACCOUNTS, 1872-73.	BUDGET ESTIMATES, 1873-74.	REGULAR ESTIMATES, 1873-74.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1874-75.	ESTIMATES, 1874-75, COMPARED WITH REGULAR ESTIMATES, 1873-74.
	£	£	£	£	£	£	£
I.—OPENING BALANCE ...	2,821,092	2,838,852	2,998,445	159,593	...	2,020,145	— 978,300
II.—IMPERIAL REVENUE ...	222,106	147,200	232,100	84,900	...	167,100	— 65,000
III.—TRAFFIC EARNINGS OF GUARANTEED RAILWAYS	...	...	...	...	...	...	...
IV.—PROVINCIAL REVENUE ...	...	...	...	...	...	...	...
V.—LOCAL REVENUE ...	...	...	...	...	...	...	...
VI.—MUNICIPAL INCOME ...	...	...	...	...	...	...	...
VII.—SERVICE FUNDS, CIVIL ...	...	...	...	...	...	...	...
VIII.—SERVICE FUNDS, MILITARY	...	...	...	...	...	...	...
IX.—LOANS TO NATIVE STATES, CORPORATIONS AND INDIVIDUALS REPAID ...	...	...	...	...	...	...	...
X.—SAVINGS BANKS DEPOSITS	...	...	...	...	...	...	...
XI.—OTHER DEPOSITS RECEIVED AND ADVANCES RECOVERED ...	1,537	3,000	6,000	3,000	...	3,000	— 3,000
XII.—LOCAL REMITTANCES ...	...	...	...	...	...	...	...
XIII.—INTER-PROVINCIAL AND INTER-DEPARTMENTAL TRANSACTIONS ...	...	...	...	...	...	...	...
XIV.—REMITTANCE ACCOUNT WITH THE HOME TREASURY ...	209,407	130,000	241,900	111,900	...	63,900	— 178,000
XV.—SECRETARY OF STATE'S BILLS ON INDIA SOLD...	14,342,136	13,500,000	13,286,000	...	214,000	10,000,000	— 3,286,000
XVI.—SUNDRY OBLIGATIONS INCURRED ...	...	...	...	...	...	...	...
XVII.—PUBLIC DEBT INCURRED	...	...	1,025,000	1,025,000	...	5,000,000	+ 3,975,000
XVIII.—GUARANTEED RAILWAY CAPITAL RECEIVED ...	938,357	1,520,475	1,447,100	...	73,375	833,600	— 613,500
TOTAL ...	18,534,636	18,139,527	19,236,545	1,384,393	287,375	18,086,845	— 1,149,700

Abstract of the above showing how th

ACCOUNTS, 1872-73.				REGULAR EST	
	£		£		£
SECRETARY OF STATE'S BILLS SOLD ...	14,342,136	CASH BALANCE INCREASED ...	177,353	CASH BALANCE REDUCED ...	978,300
		EXCESS OF IMPERIAL EXPENDITURE OVER REVENUE ...	10,332,712	DEPOSITS RECEIVED AND ADVANCES RECOVERED ...	2,900
		INTEREST ON GUARANTEED RAILWAY CAPITAL ...	2,508,748	SECRETARY OF STATE'S BILLS SOLD ...	13,286,000
		DEPOSITS REPAID AND ADVANCES RECOVERABLE ...	3,959	PUBLIC DEBT INCURRED ...	5,000
		REMITTANCES ...	791,642	GUARANTEED RAILWAY CAPITAL RECEIVED ...	71,900
		GUARANTEED RAILWAY CAPITAL WITHDRAWN ...	528,622		
TOTAL ...	14,342,136	TOTAL ...	14,342,136	TOTAL ...	14,343,200

FORT WILLIAM;
FINANCIAL DEPARTMENT,
The 23rd April 1874.

EDWARD GAY,
Deputy Comptroller Gener

URY OF THE GOVERNMENT OF INDIA IN ENGLAND.

DISBURSEMENTS.	Accounts, 1872-73.	Budget Estimates, 1873-74.	Regular Estimates, 1873-74.	Increase.	Decrease.	Budget Estimates, 1874-75.	Estimates, 1874-75, compared with Regular Estimates, 1873-74.
	£	£	£	£	£	£	£
1.—Imperial Expenditure ...	10,554,818	10,713,200	10,438,400	...	274,800	10,736,500	+298,100
2.—Working Expenses of Guaranteed Railways ...	...	...	...	...	...	...	...
3.—Interest on Guaranteed Railway Capital supplied from Surplus Earnings	2,508,748	2,862,000	3,064,000	202,000	...	3,266,000	+202,000
4.—Provincial Expenditure ...	...	...	...	...	...	...	...
5.—Local Expenditure ...	...	...	...	...	...	...	...
6.—Municipal Expenditure ...	...	...	...	...	...	...	...
7.—Service Funds, Civil ...	...	...	...	...	...	...	...
8.—Service Funds, Military ...	...	...	...	...	...	...	...
9.—Loans advanced to Native States, Corporations and Individuals ...	...	...	...	...	...	...	...
10.—Savings Banks Deposits withdrawn ...	...	...	...	...	...	...	...
11.—Other Deposits repaid and Advances made ...	4,596	3,000	4,000	1,000	...	3,000	—1,000
12.—Local Remittances ...	...	...	...	...	...	...	...
13.—Inter-Provincial and Inter-Departmental Transactions ...	...	...	...	...	...	...	...
14.—Remittance Account with the Home Treasury ...	1,001,049	1,142,700	1,314,800	172,100	...	943,200	—371,600
15.—Secretary of State's Bills on India paid ...	...	...	...	...	...	...	...
16.—Sundry Obligations Discharged ...	...	...	...	...	...	...	...
17.—Public Debt Discharged ...	...	...	1,020,000	1,020,000	...	...	—1,020,000
18.—Guaranteed Railway Capital withdrawn ...	1,466,979	1,154,059	1,375,200	221,141	...	1,869,400	+494,200
19.—Closing Balance ...	2,993,445	2,264,568	2,020,145	...	244,423	1,268,745	—751,400
TOTAL ...	18,534,635	18,139,527	19,236,545	1,616,241	519,223	18,086,845	—1,149,700

ays and means are provided.

ATES, 1873-74.		BUDGET ESTIMATES, 1874-75.			
	£		£		£
Excess of Imperial Expenditure over Revenue ...	10,206,300	Cash balance reduced ...	751,400	Excess of Imperial Expenditure over Revenue ...	10,569,400
Interest on Guaranteed Railway Capital ...	3,064,000	Secretary of State's Bills sold ...	10,000,000	Interest on Guaranteed Railway Capital ...	3,266,000
Remittances ...	1,072,900	Public Debt incurred ...	5,000,000	Remittances ...	880,200
				Guaranteed Railway Capital withdrawn ...	1,035,800
TOTAL ...	14,343,200	TOTAL ...	15,751,400	TOTAL ...	15,751,400

F. HARRISON,
Comptroller General.

R. B. CHAPMAN,
Secretary to the Govt. of India.

O. S. G. P.—No. 101 C. F.—15-5-74.—225.

FINANCIAL STATEMENT FOR 1875-76,

WITH REVIEW OF THE BUDGETS OF 1873-74 AND 1874-75.

FORT WILLIAM, THE 13TH MARCH 1875.

STATEMENT BY THE HON'BLE SIR WILLIAM MUIR, K.C.S.I.

The budget of Imperial revenue for 1875-76 is herewith published, together with the Regular Estimate for 1874-75, and the Accounts as finally adjusted for 1873-74.

Accounts of 1873-74.

ADJUSTED ACCOUNTS OF 1873-74.—The adjusted accounts of 1873-74 may be explained in few words. The results are most satisfactory.

The Regular Estimate, published with the Financial Statement of last year, shewed the total revenue to the 31st March 1874 as likely to be £49,476,000; the actual amount was better than that by £135,711. The expenditure was estimated at £47,657,300; it turned out less by £117,525. Putting both together,—that is, the saving of expenditure and the excess of income,—we have an improvement in the adjusted accounts over the Revised Estimate of not less than £253,236. In other words, a surplus was anticipated of £1,818,700: a surplus was actually realized of £2,071,936. It may be noted that the surplus originally estimated for this year by Sir Richard Temple in 1873, was only £220,000. About £939,000 of the difference is attributable to opium.

The above figures shew the ordinary income and charges of 1873-74, exclusive of the relief operations in Bengal, and also of the disbursements on extraordinary public works. These, added to the ordinary charges, affect the results of the year in the following way :—

		Receipts.	Expenditure.	Surplus.	Deficit.
Ordinary revenue and charges of 1873-74	Regular Estimate...	49,476,000	47,657,300	1,818,700	.....
	Actual account ...	49,611,711	47,539,775	2,071,936	.....
The same, adding famine charges	Actual account ...	49,611,711	51,404,448	.....	1,792,737
The same, adding both famine and extraordinary public works	Actual account ...	49,611,711	54,957,755	.....	5,346,044

Thus, the famine charges incurred in 1873-74 turned a surplus of £2,071,936 into a deficit of £1,792,737; and the additional charge for Reproductive works raised the excess charge to £5,346,044.

Accounts of 1873-74.

The details in which the actual accounts of 1873-74 vary from the Regular Estimate, will be found of no particular import. The excess of receipts for the Army, £49,124, is attributed mainly to large supplies of tents and stores furnished for the Bengal famine, for the Yarkund mission, and for other purposes. The increase of £71,600 in expenditure under "allowances and assignments," is chiefly due to an adjustment of payments made for several years in India on account of Maharajah Duleep Singh. The remaining items are distributed over most of the budget heads, and are comparatively small.

Regular Estimate, 1874-75.

REGULAR ESTIMATE OF 1874-75.—We now pass on to the Revised Estimate for the year about to close, and shall compare it with the original budget as presented last year. The Revised Estimate is based on the actual receipts and disbursements of the year up to as late a period as they can be ascertained. We have the actual treasury accounts of Receipts and Disbursements for nine and generally for ten months, that is, to the end of December or January, and in some cases to the end of February, and by telegraph quite up to the present date. Thus, but a short interval remains to complete the year, and the Regular Estimate may, therefore, be trusted as giving by anticipation a very close approximation to the real history of the year; that is, it may be trusted to shew in what measure the expected income will be realized, how the various departments have observed the budget limitations imposed on their expenditure, and to what extent disturbing causes will affect the general financial result. The test as now to be applied, will shew the prospects of the present year to be highly favorable.

The general conclusions are these: The income of 1874-75 was put in the budget at £48,984,000; it will be better (mainly owing to opium) by above a million sterling, £1,086,000.

The charges (excluding famine) were estimated at £47,792,000; they will be more than that by £389,000.

Consequently, the balance will be better by £697,000 than was expected. In other words, the surplus, instead of being, as in the budget, £1,192,000, will in reality be £1,889,000.

These are the figures as they would have stood but for the famine charges and the expenditure on Reproductive works: adding these as corrected in the Revised Estimates, the results, with the corresponding surplus and deficit, will be as follows:—

		Receipts.	Charges.	Surplus.	Deficit.
Ordinary revenue and charges	By Budget ...	48,984,000	47,792,000	1,192,000	...
	By Regular Estimate ...	50,070,000	48,181,000	1,889,000	.....
The same, adding famine expenditure ...	Regular Estimate ...	50,070,000	50,623,000	...	553,000
The same, adding both famine and extraordinary expenditure for public works ...	Regular Estimate ...	50,070,000	54,658,000	...	4,588,000

We shall now advert to the main differences between the budget and the Revised Estimate.

And first there is the main disturbing cause of Opium, which brought in a gross revenue greater by £905,000 than was estimated.

DECREASE AS COMPARED WITH BUDGET ESTIMATE.

Putting Opium out of account, the gains and losses on the receipt side nearly balance one another. On the one hand, there is a serious deficit of above £300,000 under Land Revenue; about half of this is only temporarily suspended in consequence of the famine in Bengal, and a further sum arises from the same cause in the North-Western Provinces; the remainder is due to the unusual floods which devastated parts of Bombay and Madras. A failure of

£96,000 under Customs is ascribed to the rice exports from Burmah being in the present season very late. The decrease of £12,000 under Law and Justice is simply a transfer of revenue to Stamps.

Regular Estimates, 1874-75. *Revenue.*

IMPROVEMENT IN RECEIPTS AS COMPARED WITH BUDGET ESTIMATE.

	£
Tributes	13,000
Excise	49,000
Salt	109,000
Stamps	71,000
Mint	9,000
Post Office	18,000
Telegraph	27,000
Marine	81,000
Interest	75,000
Superannuation receipts ...	15,000
Gain by exchange ...	48,000
Miscellaneous	30,000
Army	49,000
State Railways	26,000

On the other hand, there is improvement under most of the heads of income, as noted in the margin, and the following comments will explain them:—

Tributes.—Certain arrears have been unexpectedly realised.

Excise.—The improvement has been general, excepting in Bengal, where the scarcity and high prices caused a falling off, and in Madras and Bombay, where this branch of the revenue inclines to be stationary.

Salt.—Here the increase amounts to £109,000, which, coupled with a decrease in expenditure of £11,000, gives us an aggregate improvement of £120,000. This advance is the more satisfactory as it has been accompanied by a large administrative reform. The whole preventive line from the Taptee near Boorhanpore and skirting Berar eastward to the Muhanuddee has been swept away, as well as the small line between Madras and Bengal. A great tract of country has thus been freed from the harassing interference and vexation inseparable from such a barrier; and salt has been cheapened in several provinces. From this measure it was expected that we might lose perhaps £100,000; the actual net loss will probably not exceed £40,000. A portion of it is recouped at Bombay and on the Great Indian Peninsular Railway, in the shape of a sliding duty adjusted according to distance and cost of carriage, so as by degrees to break the difference of duty (Rs. 1-13 per maund) levied at Bombay, and that levied at Jubbulpore on the North-West line (Rs. 3).

Two points may here be noticed: *first*, the loss has been more than made good by progress in the general salt revenue of Bengal, the North-Western Provinces, and the Punjab, so that the gross salt revenue of the present year, £6,188,000, will be actually better than in 1873-74 by £37,338; *second*, the reduction has gone, not (as is too often the case) into the pockets of the trade, but to the people who consume the salt, in a lowering of the price. In Berar the fall of duty is close upon one rupee; east of the Berars there is a reduction of 8 annas; and along the valley of the Nerbudda, an average fall of about 5 or 6 annas. A similar sliding duty has been introduced between Madras and Orissa, and is believed to answer well. It is also satisfactory to find that local manufacture is increasing, as has been mentioned by the Lieutenant-Governor of Bengal in the Administration Report for 1873-74—

"During his recent visit to Orissa, Sir R. Temple found a marked tendency to increase as regards the local manufacture, both in Pooree and Balasore; so much so that the time may not be distant when the local revenue under the new system may equal that under the old."—p. 175.

A slow but sure progress is observable in the salt revenue, which in 1873-74 brought in £6,150,662; and for 1875-76 is estimated at £6,208,000. The duty on salt is held to be for this country one of the most legitimate and least obnoxious taxes, notwithstanding the evils admittedly inherent in the great customs barrier. The progress of Railways, and especially of the state lines, is daily cheapening the price of salt in those parts of the country most distant from the sources of supply, and where consequently the cost is highest. Moreover, there is reason to hope that by an arrangement with the States of Central India it may be possible at some future time to abolish the entire preventive line. If this be done, and an approximation made to equalizing the duty all over India, we shall have a source of revenue, not only unobjectionable in its nature, but also possessing the virtue of elasticity, since the rate would be capable of from time to time being raised or lowered according to the financial necessities of the day. The prospect of attaining this result may yet be some way off, but it will be steadily kept in view by the Government of India.

Regular Estimates, 1874-75. *Revenue.*

Stamps.—The improvement here amounts to £71,000. Against it may be set the decrease under Law and Justice of £12,000, showing a net gain of £59,000. The increase, mainly due to Bengal but also more or less general, is symptomatic of growth in this branch of the revenue.

Mint.—The difference, £9,000, is due to a larger importation of silver than was expected.

Post Office.—The improvement, £18,000, taken in connection with £9,000, decrease of charge, or £27,000 in all, may safely be ascribed to increased efficiency.

Telegraph.—The increase of £27,000 (to which if we add a decreased charge of £15,000, there will be a gross improvement of £42,000) is ascribed partly to an unexpected recovery from the Ottoman Government, and also to growth in traffic.

Marine.—£81,000, arises from the sale by the Secretary of State of stock acquired in past years from the Indus Flotilla Company.

Interest.—£75,000, due to improved receipts at Home.

Receipts for Superannuation Allowances.—£15,000, due to increased transfers from the balances at credit of the Military and Medical Funds.

Gain by exchange.—Increase of £48,000; this is due to the scarcity in Bengal having caused an excess of traffic receipts, on the guaranteed Railways, and to the consequent gain in account. There is also a special adjustment of about £16,000 owing to the retrospective application of the rate of 1*s.* 11*d.* in place of 1*s.* 10*d.* to the accounts of the Great Southern of India line.

Miscellaneous.—The excess of £30,000 is caused by certain unexpected adjustments in account.

Army.—The excess of income, amounting to £49,000, is due partly to a change in the mode of accounting for Commissariat supplies, and also to unexpected receipts for stores supplied for the famine districts, &c.

State Railways.—The income was estimated at £95,000; it will probably reach £121,000. The charges (estimated at £104,000) will be £281,000. Of this, however, £185,000 is due to expenditure on the Tirhoot State Railway in excess of the amount charged to famine relief. But for this extraordinary charge, the expenditure would not have exceeded £96,000, and we should have had in the current year our first net return from State Railways of £25,000. In the coming year the Rajpootana line will be opened to the Sambhur Salt Works, and the net income is expected to rise to £50,000,—the expenditure being put at £180,000, and the gross income at £230,000; while the benefit to the salt trade will be beyond all estimate, and the profit to the salt revenues by no means inconsiderable.

Charges.

Coming now to the CHARGES: the following are the chief items of decrease:—

DECREASED CHARGES.

Interest.—The funded debt (of which an abstract is given in the margin) amounts to £118,537,359, bearing interest at £5,154,955, or an average of 4⅓ per cent. The payments will fall short of the estimate by £61,000, a full year's interest not having been demanded. The effect of the operations for the redemption of East India Stock described in last year's statement, is now complete; but the relief so long expected from it has been to a great extent neutralized by the recent addition to our debt.

Rate of interest.	In Rupees.	In Sterling.	Total in Sterling, taking Re. 1 as 2*s.*	Interest.
		£	£	£
5½ ...	10,20,06,700	...	10,200,670	561,037
5 ...	1,09,59,900	17,287,050	18,382,950	919,147
4½ ...	15,91,56,400	...	15,915,640	718,204
4 ...	42,48.10,176	31,376,116	73,857,133	2,954,285
3½ ...	6,52,800	...	65,280	2,282
Nil ...	9,37,687	21,917	115,686	...
TOTAL ...	69,85,22,763	48,685,083	118,537,359	5,154,955

Land Revenue.—The saving of £37,000 is chiefly from greater economy in the settlement department of the various provinces throughout the empire.

Salt.—The saving of £11,000 has been mentioned under the remarks upon the receipts.

Regular Estimates, 1874-75.—*Expenditure.*

Mint.—The decrease of £40,000 is due to a different mode of exhibiting the gain on copper coinage.

Minor Departments.—A saving of £14,000, owing chiefly to less outlay than was expected on the Burma immigration scheme.

Marine.—£26,000 saving in stores.

Political Agencies.—A saving of £72,000, owing to the non-payment of certain subsidies.

Civil Furlough Allowances, £56,000, decrease of expenditure in England. The numbers who at first availed themselves of the new furlough rules, begin now to decline.

Famine Relief, £138,000, will be noted upon below.

Land and Supervision.—(Guaranteed Railways): a saving of £55,000, due to diminished operations and to the deduction of the cost of lands paid for in former years.

Guaranteed interest.—The improvement, £262,000, is due to the great rise in the net traffic receipts, in consequence of the carriage of grain to the famine districts, as will be further considered below.

Public Works Extraordinary.—The expenditure was £4,035,000, or less than what was estimated by £528,000. Of this short expenditure £185,000 is due to the removal from this head to the ordinary account of the expenditure upon the Tirhoot State Railway, and £50,000 to a like transfer of estimated outlay on the irrigation canals from the River Gunduck; £118,000 is due to short expenditure at home for stores.

INCREASED CHARGES.

These savings have been more than counterbalanced by the following excess charges:—

Interest on other accounts.—£23,000 is due to increased balances of Railway traffic earnings and in the Savings Banks.

Refunds.—£63,000 is owing to unexpected demands under this head.

Opium.—The Bengal crop having turned out much larger than was anticipated, cost an additional sum of £235,000. A full return has been received in the shape of a material addition to the reserve stock.

Stamps.—An excess of £9,000 for stores in England.

Administration.—£78,000 for stores in England.

Allowances and Treaty Assignments.—An advance of £30,000 to the King of Oudh will explain the increase in 1874-75, as well as, in part, the anticipated diminution of charge in 1875-76.

Superannuation allowances, £21,000 excess in pensions from Military and Medical funds.

Loss by Exchange.—The equivalent received in England in sterling money for the Secretary of State's bills paid will exceed by £876,200 the Ten millions estimated; the exchange upon that sum, coupled with a slightly lower rate than was estimated, has raised the charge under this head from £746,000 to £869,000, or an excess of £123,000.

The average rate for the Secretary of State's bills during the year was 1*s.* 10·2243*d.*, being lower than the estimated rate by ·1096 of 1*d*: the highest rate was 1*s.* 10$\frac{3}{4}$*d.* (6th May, when only 20 lakhs were drawn), and the lowest 1*s.* 9·81*d.* (5th August, 50 lakhs drawn). The value of silver continues to fall. At the close of last year the price was 58$\frac{1}{16}$*d.* per oz., it is now not above 57*d.*, being the lowest price yet quoted.

Miscellaneous, £65,000, owing chiefly to a call for capital on the Government shares in the Bank of Bombay, and to certain changes in the Home accounts.

Provincial Services, £94,000. An extra grant of £27,000 (of which £17,000 will be permanent) for public improvements in the new administration

Regular Estimates, 1874-75.

of Assam: a like grant of £25,000 for Burma; and (a less hopeful item) £24,000 in adjustment of expenses incurred during the last three years for the destruction of snakes in the Madras Presidency.

Expenditure.

Army, £112,000; of the various causes leading to this increase, it will suffice to notice the scheme for the retirement of Colonels, and the Duffla expedition.

Public Works.—The excess charge of £39,000 is occasioned by urgent work upon the Jacobabad embankments, and for repair of the damages from the floods in Madras.

General Result for 1874-75.

Such are the principal variations of income and expenditure in the Revised, as compared with the Budget, Estimate; and, as before said, they would nearly have balanced one another but for the opium revenue. A net income was estimated under that head of Five and a half millions; it is expected to be £6,170,000, or better than the estimate by £670,000. This excess is very close upon the sum by which the whole revised account of 1874-75 is better than the budget, *viz.*, £697,000.

Expenditure for Famine in Bengal.

We have now done with the budget of 1874-75. Before proceeding to the budget of 1875-76, it will be proper to recapitulate here the cost of the famine in Bengal, the accounts of which will be closed with those of the now expiring year. The expenditure was estimated by the Governor General in Council at Six and a half millions: from first to last, the net expenditure will not (it is now expected) exceed £6,200,500, according to the details given in the margin. The gross expenditure was £8,824,500; but there will be recoveries amounting to £2,624,000. It was thought best to enter in the estimates of revenue and expenditure only the net charge, and not to encumber the estimates of 1875-76 with recoveries which would have largely raised the apparent surplus of that year.

	£	£
Expenditure—		
Special establishments		250,000
Subsidies to trade and Railway ...		456,000
Grain—Cost	3,740,000	
Freight and storage ...	730,600	
Railway carriage ...	333,000	
Inland „ ...	1,334,000	
Reserve „ ...	315,000	
Steamers	95,800	
		6,548,400
State Railways		145,000
Relief works		1,108,000
Charitable relief and miscellaneous		317,100
		£8,824,500
Deduct—		
Sale of grain ...	2,514,000	
„ stores ...	50,000	
„ carriage and steamers ...	60,000	
		2,624,000
Net charge ...		£6,200,500

Against the net charge of £6,200,500 may properly be put the surplus traffic receipts arising from the carriage of grain to the famished districts. This has been a clear profit to Government by reducing the amount to be paid for guaranteed interest. These surplus gains can only be approximately calculated, and they may be estimated to amount at the least to £400,000, so that the entire cost to the Imperial Government of providing relief was £5,800,000. A further sum of perhaps half a million was provided from provincial or local sources; and these figures are exclusive of an expenditure of above £100,000 for the relief of scarcity in the North-Western Provinces and in Oudh.

Considering the vast extent of the measures taken for the provision of grain, the want of experience about much that was entirely novel, and the fact that variations of price and unforeseen requirements for establishments and supervision might reasonably have been expected to disturb all previous calculations, the close agreement of the estimate with the cost of this great work is matter for congratulation.

	£
1872-73	1,763,878
1873-74	2,071,936
1874-75	1,889,000
Total ...	5,724,814

It may be noted that the whole net charge is very nearly covered by the surplus of the three years 1872-73 to 1874-75 upon the ordinary account, exclusive of famine expenditure.

Budget of 1874-75.

BUDGET OF 1875-76.—It is now time to discuss the income and charge for the coming year.

Budget Estimates, 1875-76.

Revenue.

RECEIPTS.

ITEMS OF DECREASE.

OPIUM.

RECEIPTS.—And, first taking the income, a brief explanation will be given wherever there is material deviation from the corresponding entries in the Revised Estimates of the year preceding.

The branches in which a decrease is anticipated will be noticed together, and then those in which an improvement is expected.

And first in the opium revenue it will be seen that the net income is taken at £420,000 less than in the expiring year; as compared, however, with the original budget of that year, there is an increase of £250,000. This needs explanation. The fact is that it has been the practice for some years to estimate at a much lower sum than the actual average income. In the margin is given the net opium income for seven years. It has never in any one of these years fallen below Six millions. Nevertheless, since 1871-72 the estimate of the net opium revenue has not been put above Five and a half millions. Without departing from the policy of taking a low and safe estimate, the experience of recent years is found to justify a higher amount, and a somewhat nearer approach to the minimum income above shewn. It has therefore been determined to estimate for Five and three quarter millions. This estimate will still leave a large margin as compared with the average income; and, as compared even with the lowest of the seven years, the difference amounts to £281,000, so that it may be held to be sufficiently safe. It will be necessary, however, to bear in mind that the eventual excess over estimate that has for some years been derived from opium must (if we have such an excess) be less than it otherwise would have been by the amount of enhancement which has now been assumed in advance.

	£
1868-69	6,733,254
1869-70	6,130,874
1870-71	6,031,034
1871-72	7,657,213
1872-73	6,870,423
1873-74	6,323,599
1874-75 Revised Estimate	6,170,000
Average	6,559,485

It may be convenient here to consider the expenditure under this head, which is almost wholly for Bengal opium. The charges have risen in the present year (1874-75) to £2,350,000, owing to the last crop having been much more productive than was anticipated. The area under the poppy at the present time is very large (543,727 acres); the quantity that will be produced is, however, altogether dependent on the season continuing to be favorable; the cost of the opium as purchased from the cultivator may therefore possibly exceed the estimate, £2,300,000. But the policy of Government has recently been declared, not to increase, but rather to contract and centralize, the area under poppy cultivation; some saving may accordingly be anticipated in the advances to be given for the next sowings of 1875-76.

It may also be noticed here that Government have now accumulated a reserve stock of above 10,000 chests of opium, which will make the department to a considerable extent independent of the ordinary variations of season, and prevent the fluctuations that might otherwise arise in the number of chests brought yearly to sale in the Calcutta market, and the hurtful speculation consequent on such uncertainty. Notwithstanding the reserve (which it will be the object of Government still further to increase), it is not yet possible to say what number of chests will be offered for sale in 1876; but this much is certain, that should there be no unforeseen failure in the present crop, the quantity will not be less than 45,000; and it will not under any circumstances exceed 48,000. The exact number will be notified, as heretofore, after the crop has been gathered and manufactured. An average price per chest of Rs. 1,121 has been assumed for the purposes of budget calculation. The estimate for Malwa opium is that duty will be paid on 45,833 chests.

Contributions from Native States.—The diminution of £39,000 arises from the absence of the arrears which have swollen the previous year's revenue, and from the capitalization of the Maharaja Holkar's tribute being nearly concluded. An annual amount of £23,816 has, for some years past, been paid by His Highness: this year it was but one-half of that sum; and next year it will entirely cease.

Mint.—A diminution of £61,000 arises from cessation for this year of copper coinage.

Marine.—Decrease of £85,000; it has been explained that there was an extraordinary receipt in England in 1874-75.

Budget Estimates, 1875-76.

Receipts for Superannuation Allowances.—The decrease, £60,000, is due to cessation of an item formerly credited from one of the Military funds now exhausted.

Revenue.

Gain by exchange.—Less by £45,000 from the stimulating effect of the Bengal famine having ceased to swell the traffic on guaranteed Railways, as will be further explained below.

Miscellaneous.—£45,000 decrease: fluctuations always occur under this head.

Army.—It is expected that the receipts will be less than in the current year by £32,000.

INCREASED RECEIPTS AS COMPARED WITH 1874-75.

The increased receipts recapitulated below will be found (leaving opium out of account) very nearly to balance these items of loss.

Land Revenue.—The gross revenue is placed at £21,379,000, being an advance upon the current year's Regular Estimate of £296,000. The present estimate has been framed with care by the various Local Governments, and revised in the Financial Office with much caution. The improvement in recent years is chiefly noticeable in Madras, the North-Western Provinces (nearly £300,000 in the last six or seven years), and in Burmah. Bengal is of course stationary, and in Bombay there are symptoms of decline. But upon the whole, it is encouraging to find this great branch and mainstay of our income in so sound a condition, and likely in future to yield an appreciable increment year by year.

Excise.—The increase of £35,000 is mainly due to the recovery of Bengal from the effects of the scarcity, and also to a satisfactory improvement generally throughout the empire. In 1873-74 the income from excise was £2,286,637: in the coming year £2,370,000 are expected. Increased attention is being everywhere paid to this branch of the administration; and, from the various reports recently received, it is clear that the increase arises, at least in a very great measure, from more stringent control, and a better check over smuggling. The Government of India have constantly inculcated the principle that in administering the excise department the interests of morality must dominate over those of revenue, and, where necessary, have supported the Local Governments in carrying that principle into effect.

Customs.—The estimates have been framed after reference to the recommendations made by the Tariff Committee, which are now under consideration by the Government of India. The cordial acknowledgments of the Government are due to the Committee for their laborious investigations and for their comprehensive and excellent report. The increase of £28,000 is due mainly to the lateness of the exports of rice from Burma, which will carry forward into the accounts of the coming year a considerable amount of duty that otherwise would have come within 1874-75.

The head of Customs includes £140,850 duty on sugar exported from North-Western India to Rajpootana and Central India. This is one of the least defensible of all our taxes; but there is hope that, with the customs barrier at which it is collected, it will ere long be swept away.

Salt.—The improvement here has been dealt with in the remarks for 1874-75.

Post Office.—The advance made last year is maintained, and indeed increased by £22,000. It arises from an expected increase of correspondence.

Telegraph.—£11,000, due to further recovery from the Ottoman Government, and also to general growth of traffic.

Interest.—The advance of £35,000 is caused by additional loans made during the present year to various corporations, landholders, &c.

Public Works.—A new item from the Wurora Colliery in the Central Provinces raises this estimate by £14,000.

Irrigation.—We have here a gratifying improvement of £44,000. The estimate has been taken with caution, and indeed the Public Works Department expects more. The increase is mainly from the North-Western Provinces,

where (partly from the new Agra Canal) an enhancement of £18,000 is expected; and there is also an advance anticipated in the receipts of the Soane, and of the Bombay Canals.

Budget Estimates, 1875-76. *Revenue.*

State Railways.—Another notable increase of £109,000 is expected from the carriage of Sambhur salt and the further opening of the State Railways to public traffic.

TOTAL ESTIMATED REVENUE OF 1875-76 COMPARED WITH THAT OF 1874-75.

The grand total of all our revenues, as above explained, is £49,820,000. This is greater than the Budget Estimate of 1874-75 by £836,000, but less than the Regular Estimate (as swelled by the opium surplus) by £250,000. Eliminating opium from the comparison, this year's revenue is more than last year's Regular Estimate by £220,000.

CHARGES—EXPLANATION OF ITEMS OF DECREASE.

CHARGES.—We proceed to consider the expected disbursements for the coming year; and first will be noticed those in which there is any material increase.

Interest.—An advance of £142,000. Provision has been made for the additional debt to be incurred in the coming year and for a full year's interest on the money borrowed during the current year.

Salt.—£19,000, due chiefly to resumption of operations to repress the illicit manufacture of salt in Behar.

Post Office.—An increase of £12,000 may be regarded as a partial set-off to the increase of revenue (£22,000).

Telegraph, increase of £49,000: provision is made for the purchase of the telegraphs on certain guaranteed Railways, for the construction of new telegraphs both on the State and guaranteed Railways, and for the purchase of stores.

Law and Justice shows an additional burden of £57,000; of this, above £20,000 are for the improved judicial machinery which has just been introduced into the Punjab, and £20,000 are for re-organizing the process-serving establishments in the Bombay Presidency. Provision is also made for the constitution of a new district in Burmah.

Marine.—An increase of £40,000, due to the proposed Marine surveys, and to expenditure in England for stores.

Loss by exchange.—An increase of £521,000. The rate of exchange is estimated at 1*s.* 9⅞*d.* per rupee, and to remit £14,300,000 at this rate requires the adjusting entry of an additional £1,390,000. Against this we have, on the opposite side of the sheet, a gain of £325,000; leaving a net charge under this head of £1,065,000.

Army.—The budget (in which there is an excess over last year of £184,000) provides for the continuance of the Colonel's retirement scheme to the same extent as before. On this important measure, which besides adding to the efficiency of the Army, will be in itself a future financial advantage, the expenditure for the two years 1874-75 and 1875-76 is estimated at not less than £400,000. There have been considerable additions provided for in the expenditure of the coming year, and among them £20,000 for increased pay to Majors of Royal Artillery and Engineers; but they have been partially met by savings and retrenchments. The marginal table gives the net expenditure for the army for the last seven years, as compared with our present estimate. From the latter, the payment for the retiring scheme may properly be deducted, as it is in point of fact the cost of a saving which will be spread over many years to come. If this be done, it will be seen that the cost of the army in India has not, for many years, been lower than in these last two years, and that the

NET EXPENDITURE FOR THE ARMY.

YEAR.	In England.	In India.	TOTAL.
1868-69	3,248,494	11,888,063	15,136,557
1869-70	3,478,807	11,768,327	15,247,134
1870-71	3,507,034	11,605,618	15,112,652
1871-72	3,586,934	11,146,758	14,733,692
1872-73	3,503,020	11,093,781	14,596,801
1873-74	3,328,912	10,890,239	14,219,151
1874-75 Revised Estimate	3,599,700	10,960,300	14,560,000
1875-76 Budget „	3,725,600*	11,050,400	14,776,000

* Including £150,000 for capitalized value of annuities to officers retiring in 1875-76.

Budget Estimates, 1875-76. *Expenditure.*

total cost is lesss than in any recent year up to 1873-74. Within the last two or three years, moreover, a large permanent addition has been made in military expenditure to improve the condition equipment and organization of the army; among such improvements may be named the revised scale of pay for British troops, new establishments for garrison instruction and musketry inspection, additional hutting money for Indian troops, an increase of subalterns in British and Indian regiments. Thus there has been no sacrifice of efficiency to economy: on the contrary, the favorable financial result here shown has gone hand in hand with a liberal expenditure in improvements and reform.

Public Works Ordinary.—Increase of £110,000, caused by an extraordinary grant of £100,000 for military works, to enable the construction of barracks to be prosecuted with greater vigor throughout the country: £10,000 have also been given for special repairs in the Kidderpore Dock Yard.

State Railways.—Apart from the sum of £185,000 entered in the accounts of 1874-75 as expended upon the Tirhoot State Railway, £75,000 more will be spent in 1875-76 than in the current year, but (as before shown) it will be more than covered by improved receipts.

Guaranteed interest; increase £451,000. The additional payment for interest will be only £31,000; but as traffic receipts are first deducted, and as these have been so greatly swollen during the current year by the scarcity, the present entry compares badly with that of 1874-75. The income, however, is growing, as will be shown below.

DECREASED CHARGES.

These are all the instances of material enhancement of expenditure. The departments in which a decrease is expected will now be noticed.

Forest.—£28,000, corresponding with a decrease of revenue £27,000.

Refunds.—£25,000, the expenditure this year having been unusually high.

Opium.—£50,000, already noticed under receipts.

Mint.—£38,000; the same cause as in 1874-75.

Minor Departments.—£10,000, owing to reduced disbursements on Exhibitions by the Home Government.

Administration shows a decrease of £22,000, notwithstanding provision made for the transfer of the Government of India during the summer to Simla, for the new Member of the Governor General's Council, and for some increase to the establishments of the Home Government. The net decrease is owing to the abnormal charge for stores in 1874-75.

Political Agencies.—Less by £37,000 owing to exceptional charges in 1874-75 for the Yarkund embassy, and the Zanzibar Mission.

Allowances under treaty.—A reduction of £45,000, partly on account of the advance, noticed in the accounts of 1874-75, to the Ex-King of Oudh, and partly owing to the death of certain stipendiaries in Madras.

Miscellaneous.—£65,000 saved by the non-recurrence of the special items noticed in the accounts of 1874-75.

Provincial Services.—Special grants will be smaller this year than those made last to the extent of £65,000.

NET RESULT OF BUDGET FOR 1875-76 COMPARED WITH REVISED ESTIMATE OF 1874-75.

Such, then, are the variations in detail. Putting the whole together, we find the total expenditure estimated for 1875-76 (excluding disbursements on Reproductive works, which the Government holds itself free to construct from borrowed capital) to be £49,314,000. In 1874-75, excluding famine charges, it is only £48,181,000. So that we have here a rise of expenditure of not less than £1,133,000. From the marginal note it will be seen that three items alone nearly account for this growth of charge. Of the three, the largest, loss by exchange, is dependent on the market rate; the excess of guaranteed interest is caused by the cessation of the famine traffic;—both being beyond the control of Government. The growth of interest arises from increased borrowing for Reproductive works, and also to meet the immediate burden of the recent Famine. So that in the ordinary machinery and administration proper of the empire, there is in the estimates of the coming year but little increase of net charge. Nor

	£
Interest on debt ...	142,000
Guaranteed interest, less traffic receipts ...	451,000
Loss by exchange ...	521,000
TOTAL ...	1,114,000

must it be lost sight of that this result has been attained notwithstanding considerable additional grants to promote efficiency in the administration;—such as £20,000 to improve the judicial establishments in the Punjab, a similar increase to the Provincial assignment in Assam, an increase of £20,000 for process-serving establishments in Bombay, and £100,000 for the more vigorous prosecution of Military works.

Budget Estimates, 1875-76. *Expenditure.*

We have seen that the income of the coming year is likely to be £49,820,000, and now we find that the probable expenditure will be £49,314,000. The excess of income over expenditure thus provides for a surplus of £506,000. The Government of India are satisfied that this will be sufficient. By the effective enforcement of economy in all branches of the administration,—an obligation recognized by every Government throughout the country,—it may be hoped that, no unforeseen adversity occurring, the surplus will, as in previous years, prove somewhat better than has been estimated; and in particular, from what has before been said, some improvement may not unreasonably be looked for from opium.

Surplus for 1875-76.

Before passing on to the Ways and Means for the year, a few remarks seem called for on the state of Trade and also on the progress of Reproductive works, the interest on the capital of which forms so heavy a weight upon the finances of India.

THE LEADING FEATURES OF TRADE in 1873-74, as compared with the year preceding, may be described as follows: The aggregate value (excluding Government stores and treasure) was £94,277,080, being an increase over 1872-73 of Two and three-quarter millions. The increase was almost entirely in imports, which exceeded those of 1872-73 by £2,407,577. The small increase in exports (£338,400) was due to an increase of £605,117 in treasure; so that there was really a decrease in the value of exported merchandise, amounting to £266,717.

TRADE STATISTICS OF 1873-74, COMPARED WITH 1872-73.

	1873-74.	1872-73.
	£	£
Imports ...	37,437,231	35,029,654
Exports ...	56,839,849	56,501,449
TOTAL ...	94,277,080	91,531,103

Of the increase in imports, £1,235,949 are due to treasure, and £1,171,628 to merchandise. Cotton piece goods rose in value by £559,125; there was a slight fall in twist and yarn of £8,748; the net result being an increase of £550,377, notwithstanding the competition of cotton-mills in India. In point of fact, the value of cotton goods imported in 1873-74 was the highest on record, excepting 1870-71,* a year of excessive importations, and 1868-69,† when the tariff values were higher than now by about 15 per cent. The value of metals, notwithstanding a slight increase in iron and a considerable increase in tin, fell by £57,618. But in the present year the metal trade is materially improving. The expansion of industrial enterprize in India is satisfactorily attested by an increase of machinery imported, the value in 1873-74 being £1,002,347 as against £517,316 in 1872-73.

INCREASE OF IMPORTS.

* £19,044,869.
† £18,852,485.

The increase in the value of exports, as shown above, was £338,400. This is the result of several fluctuations, of which the most marked are the following;—Raw cotton fell by £805,923; raw jute by £706,533; and rice by £235,969. The decrease in the value of cotton is wholly due to lower prices, the quantity exported having risen by nearly ten million lbs.;‡ that in jute was owing to the fall in prices caused by unusually large exportations in the two preceding years.§ The diminution in rice was owing to the demand caused by the scarcity in Behar.‖ The proportionate decrease in value was less than that in quantity, prices having been higher in 1873-74 by 11·3 per cent.; so that the fall in quantity was 13·8 per cent., and in value 4·1 per cent. The chief items of increase were tea, indigo, seeds, wheat, and treasure. Of tea 19,324,235 lbs. were exported in 1873-74 as compared with 17,789,911 in the previous year, the value being £1,742,926 as against £1,577,691. It is gratifying to find

EXPORTS.

ITEMS OF DECREASE.

		Quantity. lbs.	Value. £
‡ 1872-73	...	494,214,447	14,022,108
1873-74	...	504,065,620	13,216,185
		Cwts.	£
§ 1872-73	...	7,080,912	4,142,548
1873-74	...	6,127,279	3,436,015
		Cwts.	£
‖ 1872-73	...	22,973,797	5,701,439
1873-74	...	19,805,184	5,456,470

ITEMS OF INCREASE.

Budget Estimates, 1875-76.

this valuable staple, year by year, advancing steadily. The value of tea exported in 1863-64 was only £220,394. Indigo rose from 115,312 cwts. to 115,980, and the value from £3,426,824 to £3,555,300. The important trade in seeds has almost entirely recovered from the depression of 1872-73; the average value of the five years preceding that year was £2,543,000: in 1872-73 it fell to £1,508,241; in 1873-74 it rose to £2,361,423. Wheat shows a remarkable increase, the export in 1873-74 being 1,755,954 cwts., valued at £827,606, as against 394,010 cwts. in 1872-73, valued at £167,690: the improvement is due no doubt to the remission of the export duty in the beginning of 1873. Of coffee the quantity exported, 40,715,638 lbs., was less than the 41,462,705 lbs. of the previous year; but the value was higher, being £1,487,467 against £1,128,549: the fall in amount and rise in price were no doubt both due to deficiency in the crop. The saltpetre trade was not so brisk as in the year before, when it was unusually prosperous; but it exceeded the average of the five years preceding 1872-73. The export of teak continued to improve.

Upon the whole, the prospects of the commerce of India as illustrated by these figures are very encouraging.

Guaranteed Railways.

Guaranteed Railways.—The following table gives the progress of the traffic receipts:—

	Miles open.	Gross earnings.	Expenses.	Net receipts.
	No.	£	£	£
1870-71	4,963	6,620,758	4,063,977	2,556,781
1871-72	5,077	6,699,981	3,831,033	2,868,948
1872-73	5,345	6,889,281	4,341,381	2,547,900
1873-74	5,593	7,641,042	4,410,488	3,230,554
1874-75 (Regular)	5,613	8,245,400	4,683,400	3,562,000
1875-76 (Budget)	5,866	7,449,900	4,307,900	3,142,000

The entire length of all guaranteed Railways at present sanctioned is 6,207 miles. One hundred miles were opened in 1874, of which 85 belong to the Oudh and Rohilkhund Railway. As 5,591 miles in all are now open, it will be seen that the system is rapidly approaching completion. The capital already expended is £93,615,000.

The train mileage run during 1874 was 17,617,794 miles against 14,727,933 in 1873. The passengers increased from 21,406,636 to 22,678,772; but the coaching receipts diminished from £2,171,484 to £2,134,847. The increase in numbers and decrease in receipts arise from the adoption of low fares on the Madras and some other Railways, the effect of which is being watched; and in Bengal there was a falling off in passenger traffic owing to the scarcity.

The goods traffic, as repeatedly noticed, was greatly swelled during the last two years, and notably in 1874-75, by the carriage of grain to the districts where scarcity prevailed. The weight carried increased from 4,147,316 tons in 1873 (a year in which carriage of grain was already stimulated by the famine) to 4,926,779; and the receipts from £4,219,174 to £5,129,500.

The gross earnings of the closing year are expected to be £8,245,400, and the expenses £4,291,500; the net traffic receipts will thus be £3,953,900, of which £391,900, being half the surplus in excess of guaranteed interest, will be paid to the Companies. The remaining £3,562,000 will accrue to the Indian revenues. The interest payable under guarantee is £4,694,000. The net amount chargeable against the revenues will be £1,132,000.

Leaving out the last two years, it will be seen that the net traffic receipts in 1872-73 were £2,547,900; but that is held to have been an exceptionally bad year. The receipts of the previous year, 1871-72, were £2,868,948: since that time about 800 additional miles have been opened, and the expected net income for 1875-76 is £3,142,000, or £273,052 more than in 1871-72. The present estimates, which have been carefully prepared in the Railway Department, give hope of a gradual advance of receipts, and of a corresponding diminution in the interest charge.

Budget Estimates, 1875-76.

STATE RAILWAYS.—A few words may be added on the progress of the State Railways. At the end of 1873 the mileage open was 183 miles; at the end of 1874, 612.

STATE RAILWAYS.

The total cost to end of 1873-74 was ...	...	£5,619,950
Expenditure in 1874-75 (Regular Estimate)	...	2,787,550
Grant for 1875-76 (Budget Estimate) ...	...	3,000,000
Estimated total expenditure to end of 1875-76 ...		£11,407,500

The mean mileage worked during the year was 414 miles, and the train mileage 372,894, carrying 248,781 tons and 1,429,942 passengers. The receipts were £55,034 from goods and £47,133 from coaching; and averaged together £7 per mile per week. The State lines are worked at lower fares for passengers than on the guaranteed lines.

The net receipts are expected to increase (as has been stated before) from £27,000 to £50,000, and we may look now for a rapid rise of income as a set-off to the charge for interest, as well as for an invaluable accession to the trade in salt.

IRRIGATION CANALS.

IRRIGATION CANALS.—The gross direct irrigation revenue, that is, the receipts for water-rate and other items assessed directly by the Irrigation Department, will probably amount in 1875-76 to £525,000. This is almost entirely received in the Punjab, North-Western Provinces, and Lower Bengal. The returns from irrigation elsewhere are still, as a rule, included in the Land Revenue. The indirect revenue in the Provinces just named, that is, the increased assessment of Land Revenue due to canal irrigation, is estimated at £161,000, making a total income of £686,000.

The aggregate capital outlay on irrigation works to the end of 1873-74 (excluding the Madras and Bombay Presidencies, the accounts of which are not yet adjusted) amounted to £9,930,000. Of this, £6,711,000 was spent on the five works named in the margin, which are the largest of those now earning revenue.

	£
Ganges Canal ..	2,644,700
Eastern Jumna Canal ...	207,800
Baree Doab „ ...	1,875,000
Western Jumna „ ...	334,000
Orissa „ ...	2,149,500

The gross direct income from these canals is expected to be £459,479, and the expenses £224,776, leaving a direct net revenue of £234,703, or a return of 3½ per cent. If the indirect revenue be included, the net return will be £347,119, or about 5 per cent. The area irrigated in the three Provinces was nearly 2,300,000 acres.

During the year certain projects were started in Behar to give relief to the famished population; but work on them is at present stayed, pending a more thorough survey of the country and investigation of the designs. About £17,506 were thus spent.

In the Punjab the chief expenditure has been on the Baree Doab, Sirhind, and Western Jumna Canals. The first of these is being improved and completed at an estimated cost of £128,900. The works on the Sirhind Canal have been vigorously prosecuted during the year, at an outlay of about £220,000. The total cost will be about Three millions. The rectification of the Western Jumna Canal is intended mainly to remove sanitary evils that have been found injurious to the country: the cost is estimated at £722,000.

In the North-Western Provinces certain rectifications of the Eastern Jumna Canal have been made at an expenditure of about £10,800. Material improvements in the Ganges Canal are being pressed forward, but necessarily with some difficulty, as the channels are full: the expenditure was about £54,000. The Lower Ganges Canal, with its new dam at Nurora below the Rajghat bridge, is being constructed with great vigor, about £300,000 having been expended on it during the year. Irrigation has commenced from the Agra canal, which was opened last year; its length is 130 miles, and its cost will be £900,000.

In Bengal £340,000 were spent on the Soane canal. This work afforded labor to the poor during the late scarcity; a large area was brought under irrigation without charge, and the food supply of the country thus

Budget Estimates, 1875-76.

materially increased. The expenditure on new works for the Orissa canal was about £203,000; the irrigation receipts on this canal advance but slowly; the receipts from the navigation of the Midnapore and Tidal Canal, however, exhibit the gratifying increase of £20,948 against £10,386 in the previous year.

In Madras no new works have been commenced, but improvements are projected in the Godavery and Kistna works. The canals in this Presidency suffered severely from floods, and the repairs will be costly.

In Bombay the Moota Moola design for the water-supply of Poona as well as for irrigation, was completed as far as Poona, the outlay so far being £361,000; and there will be a small return in the present year. The Desert canal in Scinde was also in progress at an outlay of £15,000.

The returns of canal revenue make no distinction between income derived from former works constructed out of revenue, and from those derived from borrowed money. In respect of the latter there is a lien upon the returns for the payment of the interest. It is now under consideration to what extent this can be shown in a distinct account, so as to keep under a continual watch the degree in which such works support themselves without aid from the general revenues of the empire.

FORECAST OF EFFECT OF BORROWING FOR RAILWAYS AND CANALS ON FINANCES OF INDIA.

For the last three years a forecast has been annually prepared in the Public Works Department, looking forward five years, and balancing against the increase of income anticipated from railways and canals, the increased charge on the empire for the interest of the capital borrowed for their construction. The forecast from 1875-76 to 1879-80 will shortly be published, when it will be shewn that, so far as can be foreseen, the continued prosecution of these works on the present scale will not entail any increase of burden on the exchequer of India.

Ways & Means for 1875-76.

It remains now only to consider the Ways and Means to provide for the expenditure which will devolve upon the Government of India and the Home Government during the year on which we are about to enter.

The cash balances in the Indian and Home Treasuries on 31st March 1874 (varying but slightly from the Revised Estimate) were a little above Sixteen millions, as follows:—

	£
In India	14,033,442
In Home Treasury	2,015,056
TOTAL ...	£16,048,498

It was estimated last year that on the 31st day of this month, the balances would have risen slightly, so as to stand at a little above Sixteen and a half millions.* The treasury accounts are influenced by so many and various causes that it is difficult to foretell precisely at what figure they will stand twenty days hence; but, as closely as we can calculate, they will be better than was estimated last year by no less than £1,844,860.† The improvement over the estimate is mainly due to the surplus in the ordinary account of 1874-75 being (as before explained) larger than was expected; and to the disbursements on the Famine and Extraordinary works being short of what was provided. From these causes the deficit on the whole account of the current year, estimated at £5,951,000, will be found from the present budget sheet to have fallen to £4,588,000, that is, by £1,363,000.

*	£
In India	15,272,593
Home Treasury ...	1,268,745
	16,541,338

†	£
In India... ...	15,700,042
Home Treasury ...	2,686,156(a)
	18,386,198

* (a) The excess in the balances in Home Treasury as compared with estimate arises from excess remittances during the favorable season of commercial activity in India.

Ways & Means, 1875-76.

The Treasury balances (including those in England) rose during the year by £2,337,700. The main cause is that the sums borrowed more than covered our eventual wants. In all, including Railway capital, £7,488,100 were borrowed. The deficit of revenue, in 1874-75, as we have seen, is £4,588,000; add to this £853,200 for loans to Port Trust, Municipalities, &c., and we have a total of £5,441,200: thus leaving an excess of £2,046,900, which explains the greater part of the excess in the cash balances.

	£
Balance on 31st March 1874	16,048,498
Estimated ditto on 1st March 1875 ...	18,386,198
Difference ...	2,337,700

Of the amount borrowed during 1874-75, the Secretary of State raised £5,000,000 at four per cent. interest, obtaining a premium of £69,832, at an average of £1-7-11 per cent.

Two and a half crores of rupees were raised in India, also at four per cent. interest, a premium being obtained of Rs. 6,90,695, at an average of Rs. 2-12-2 per cent. For this loan 1,380 tenders were received, of which 908 were from Natives of India. The whole amount tendered was Rs. 16,15,95,900. The Government minimum price was Rs. 101, and 851 tenders were received for Rs. 14,13,81,500 at this minimum rate or at rates exceeding it. Of these tenders, 525 were from Natives of India.

In the coming year we have seen that the sum to be expended on Reproductive works is £4,300,000, and a further sum of £633,700 will be required for repayment of Railway capital: total £4,933,700. Against this is to be set the surplus of £506,000, reducing the amount to £4,427,700. The receipts upon the remainder of the cash account of the coming year will exceed the disbursements by £316,000. If this be deducted from the £4,427,700 required, a balance of £4,111,700 remains to be provided.

Supposing no money to be borrowed, this drain upon the Treasury would reduce the balances at Home and in India to about Fourteen and a quarter millions.* But this sum is too small for the requirements of the empire; and it will be necessary to arrange so that the balances shall not fall below Seventeen millions.† To provide for this it has been resolved to borrow the sum of £2,860,000. Of this amount the Maharajahs Scindia and Holkar are under engagements to contribute for Railways £360,000. The remaining sum, £2,500,000, will be raised by loan. In accordance with the intimation given by Her Majesty's Government, there will be no borrowing in England during the present year; the loan, therefore, to the amount above specified, will be raised in India. The arrangements for this purpose will be notified at some suitable time hereafter. By these arrangements the cash balance will, it is estimated, stand at £17,096,598 on the 31st March 1876.

	£
*India	12,107,642
Home	2,128,956
	14,236,598

	£
†India	14,967,642
Home	2,128,956
	17,096,598

In reviewing our loan transactions since 1869-70, and including guaranteed Railway capital and the proposed new loan, the entire sum borrowed during these seven years is £22,576,917. During the same period there has been spent on Reproductive works (State Railways and Canals) £19,468,774, leaving a balance of £3,108,143. The cash balance (according to present estimate) will be larger at the close of that period than it was at the beginning by £3,894,813. If, then, we deduct this sum, £3,894,813, from the sums borrowed, we find that the amount expended on Reproductive works will exceed the remainder by more than three quarters of a million; which three quarters of a million has consequently come out of Ordinary revenue. Over and above this, the whole cost of the famine, say Six millions, has been defrayed from net surplus on the ordinary account. These results will, it is believed, be considered satisfactory.

	£
Balance, 31st March 1869	13,201,785
Ditto 1876	17,096,598
Increase	£3,894,813
Borrowed	22,576,917
Added to cash balances ...	3,894,813
Remains to be accounted for	£18,682,104
Spent on Reproductive works	19,468,774
Net borrowed ...	18,682,104
	£786,670

Miscellaneous. PAPER CURRENCY AND TREASURY IMPROVEMENTS.

In the early part of 1874, the paper currency stood at a very low amount, not much in excess of Nine millions. It rose gradually in the latter part of the year, and for four or five months has varied little from Eleven millions. The fall ordinarily caused at the present season by the demand for silver in the interior has this year been neutralized by the issues made against bullion.

Enquiries are being prosecuted with the view, if possible, to introduce a system of money orders between India and Germany: and also to extend to Indian laborers in Ceylon the advantage of money orders on Indian District Treasuries.

The number of depositors in Savings Banks has increased in the course of the expiring year by about 4,000. It now stands at about 68,000; and the aggregate of deposits at about £1,866,000.

The highest quoted price of four per cent. rupee paper in Calcutta during 1874-75 was Rs. 104-12 on the 9th and 15th July, the lowest Rs. 101-10 on the 24th April. The highest quoted price of enfaced four per cent. rupee paper in London was Rs. 98 on the 30th May and 4th June; the lowest Rs. 94, at which it now stands. The highest quoted price of four per cent. sterling paper in London was 104$\frac{7}{8}$ths on the 4th February, the lowest 100$\frac{1}{2}$ on the 2nd April.

The rupee paper enfaced for payment of interest in England by drafts on India stood on the 31st March 1874 at £13,272,205. The highest amount during the year was £14,214,617 on the 14th November 1874. The amount by the latest return (15th February 1875) was £13,905,131.

Provincial, local, and municipal funds.

It has not been found possible this year to complete the estimates and accounts of Provincial, Local, and Municipal income and expenditure in time for the Imperial Budget. They will be published, hereafter, so soon as they can be compiled.

Summary.

To sum up briefly the leading points of this Financial Statement:—

For 1873-74 the Revised Estimate as prepared last year shewed an expected surplus of £1,818,700; the financial accounts shew an actual surplus of £2,071,936.

The surplus of 1874-75, estimated in the budget at £1,192,000, is expected according to the Revised Estimate to be £1,889,000. These figures are irrespective of famine relief and of expenditure from loans on Reproductive works.

The net cost of the Famine (allowing for recoveries and excess Railway income) will be about £5,800,000.

The estimated income of 1875-76 is £49,820,000; and expenditure £49,314,000; giving a surplus of £506,000.

On Reproductive works, £4,300,000 will be spent; including these, the deficit is £3,794,000.

The cash balances on 31st March 1875 are estimated to be £18,386,198.

To provide for the disbursements on Reproductive works, and maintain the cash balances at a sufficient amount, it will be necessary to raise a loan of £2,500,000.

With this assistance it is estimated that the cash balance will, on 31st March 1876, stand at £17,096,598, or a little above Seventeen millions.

STATEMENTS.

I

REVENUE AND EXPENDITURE OF THI

Estimate

REVENUE.	Accounts, 1873-74.	Budget estimates, 1874-75.	Regular estimates, 1874-75.	Increase.	Decrease.	Budget estimates, 1875-76.	Budget estimates, 1875-76, compared with regular estimate 1874-75.
	£	£	£	£	£	£	£
CIVIL.							
I.—Land revenue ...	21,037,912	21,404,000	21,083,000	...	321,000	21,379,000	+296,000
II.—Tributes and contributions from N. States ..	768,544	726,000	739,000	13,000	...	700,000	—39,000
III.—Forest	623,131	606,000	599,000	...	7,000	572,000	—27,000
IV.—Excise on spirits and drugs	2,286,637	2,286,000	2,335,000	49,000	...	2,370,000	+35,000
V.—Assessed taxes ...	20,136	*Nil*	3,000	3,000	...	Nil.	—3,000
VI.—Customs	2,628,495	2,738,000	2,642,000	...	96,000	2,670,000	+28,000
VII.—Salt	6,150,662	6,079,000	6,188,000	109,000	...	6,208,000	+20,000
VIII.—Opium	8,324,879	7,615,000	8,520,000	905,000	...	8,050,000	—470,000
IX.—Stamps	2,699,936	2,708,000	2,779,000	71,000	...	2,784,000	+5,000
X.—Mint	66,544	124,000	133,000	9,000	...	72,000	—61,000
XI.—Post office ...	688,198	695,000	713,000	18,000	...	735,000	+22,000
XII.—Telegraph	250,638	252,000	279,000	27,000	...	290,000	+11,000
XIII.—Law and justice ...	359,146	333,000	321,000	...	12,000	319,000	—2,000
XIV.—Marine	236,323	201,000	282,000	81,000	...	197,000	—85,000
XV.—Interest	464,910	462,000	537,000	75,000	...	572,000	+35,000
XVI.—Receipts in aid of superannuation, retired and compassionate Allowances	699,768	679,000	694,000	15,000	...	634,000	—60,000
XVII.—Gain by exchange on transactions with London	395,168	322,000	370,000	48,000	...	325,000	—45,000
XVIII.—Miscellaneous ...	296,961	195,000	225,000	30,000	...	180,000	—45,000
TOTAL ...	47,997,988	47,425,000	48,442,000	1,017,000	...	48,057,000	—385,000
Army	1,009,124	890,000	939,000	49,000	...	907,000	—32,000
Public works, ordinary ...	89,511	83,000	80,000	...	3,000	94,000	+14,000
Irrigation	475,174	491,000	488,000	...	3,000	532,000	+44,000
State railways	39,914	95,000	121,000	26,000	...	230,000	+109,000
GRAND TOTAL ...	49,611,711	48,984,000	50,070,000	1,086,000	...	49,820,000	—250,000
Deficit, excluding P. W. extraordinary, but *including* Famine Charges	1,792,736	1,388,000	553,000	...	835,000	*Nil.*	—553,000
Deficit, including P. W. extraordinary, but *excluding* Famine Charges	1,481,370	3,371,000	2,146,000	...	1,225,000	3,794,000	+1,648,000
Deficit, including P. W. Extraordinary and Famine Charges	5,346,043	5,951,000	4,588,000	...	1,363,000	3,794,000	—794,000

Fort William;
Financial Department,
The 13th March 1875.

Edward Gay,
Deputy Comptroller Gene

GOVERNMENT OF INDIA IN INDIA AND IN ENGLAND.

1875-76.

EXPENDITURE.	ACCOUNTS, 1873-74.	BUDGET ESTIMATES, 1874-75.	REGULAR ESTIMATES, 1874-75.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1875-76.	BUDGET ESTIMATES, 1875-76 COMPARED WITH REGULAR ESTIMATES, 1874-75.
CIVIL.	£	£	£	£	£	£	£
1.—INTEREST ON FUNDED AND UNFUNDED DEBT ...	5,248,820	5,127,000	5,066,000	...	61,000	5,208,000	+142,000
2.—INTEREST ON SERVICE FUNDS AND OTHER ACCOUNTS ...	541,001	359,000	382,000	23,000	...	376,000	— 6,000
3.—REFUNDS AND DRAWBACKS ...	292,845	262,000	325,000	63,000	...	300,000	—25,000
4.—LAND REVENUE ...	2,486,275	2,513,000	2,476,000	...	37,000	2,480,000	+ 4,000
5.—FOREST	390,499	443,000	433,000	...	10,000	405,000	—28,000
6.—EXCISE ON SPIRITS AND DRUGS	93,569	87,000	83,000	...	4,000	86,000	+ 3,000
7.—ASSESSED TAXES ...	2,165	*Nil.*	Nil.	...	...	Nil	...
8.—CUSTOMS	183,863	186,000	178,000	...	8,000	179,000	+ 1,000
9.—SALT	478,245	490,000	479,000	...	11,000	498,000	+19,000
10.—OPIUM	2,001,280	2,115,000	2,350,000	235,000	...	2,300,000	—50,000
11.—STAMPS	88,840	117,000	126,000	9,000	...	123,000	— 3,000
12.—MINT	76,229	168,000	128,000	...	40,000	90,000	—38,000
13.—POST OFFICE	808,684	813,000	804,000	...	9,000	816,000	+12,000
14.—TELEGRAPH	411,801	450,000	435,000	...	15,000	484,000	+49,000
15.—ADMINISTRATION ...	1,577,286	1,559,000	1,637,000	78,000	...	1,615,000	—22,000
16.—MINOR DEPARTMENTS ...	319,913	323,000	309,000	...	14,000	299,000	—10,000
17.—LAW AND JUSTICE ...	2,266,179	2,279,000	2,283,000	4,000	...	2,340,000	+57,000
18.—MARINE	474,756	528,000	502,000	...	26,000	542,000	+40,000
19.—ECCLESIASTICAL	159,527	159,000	160,000	1,000	...	161,000	+ 1,000
20.—MEDICAL	180,596	187,000	194,000	7,000	...	187,000	— 7,000
21.—POLITICAL AGENCIES ...	366,209	445,000	373,000	...	72,000	336,000	—37,000
22.—ALLOWANCES AND ASSIGNMENTS UNDER TREATIES AND ENGAGEMENTS ...	1,856,700	1,722,000	1,740,000	18,000	...	1,695,000	—45,000
23.—CIVIL FURLOUGH AND ABSENTEE ALLOWANCES ...	260,556	277,000	221,000	...	56,000	221,000	.....
24.—SUPERANNUATION, RETIRED AND COMPASSIONATE ALLOWANCES	1,576,682	1,818,000	1,839,000	21,000	...	1,863,000	+24,000
25.—LOSS BY EXCHANGE ON TRANSACTIONS WITH LONDON ...	986,530	746,000	869,000	123,000	...	1,390,000	+521,000
26.—MISCELLANEOUS ...	94,142	70,000	135,000	65,000	...	70,000	—65,000
27.—ALLOTMENTS FOR PROVINCIAL SERVICES	5,069,972	5,030,000	5,124,000	94,000	...	5,059,000	—65,000
FAMINE RELIEF	3,864,673	2,580,000	2,442,000	...	138,000	...	—2,442,000
TOTAL CIVIL ...	32,157,837	30,853,000	31,093,000	240,000	...	29,123,000	—1,970,000
ARMY	15,228,274	15,387,000	15,499,000	112,000	...	15,683,000	+184,000
PUBLIC WORKS, ORDINARY ...	2,355,723	2,505,000	2,544,000	39,000	...	2,654,000	+110,000
STATE RAILWAYS	72,824	104,000	281,000	177,000	...	180,000	—101,000
LAND AND SUPERVISION (GUARANTEED RAILWAYS)	152,438	129,000	74,000	...	55,000	91,000	+17,000
GUARANTEED INTEREST, LESS NET TRAFFIC RECEIPTS	1,437,351	1,394,000	1,132,000	...	262,000	1,583,000	+451,000
TOTAL ORDINARY ...	51,404,447	50,372,000	50,623,000	251,000	...	49,314,000	—1,309,000
PUBLIC WORKS, EXTRAORDINARY ...	3,553,307	4,563,000	4,035,000	...	528,000	4,300,000	+265,000
GRAND TOTAL ...	54,957,754	54,935,000	54,658,000	...	277,000	53,614,000	—1,044,000
SURPLUS, EXCLUDING P. W. EXTRAORDINARY & FAMINE CHARGES	2,071,937	1,192,000	1,889,000	697,000	...	506,000	—1,383,000
GROSS GUARANTEED INTEREST ...	4,667,905	4,696,000	4,694,000	...	2,000	4,725,000	+31,000
NET TRAFFIC RECEIPTS ...	3,230,554	3,302,000	3,562,000	260,000	...	3,142,000	—420,000
GUARANTEED INTEREST LESS NET TRAFFIC RECEIPTS	1,437,351	1,394,000	1,132,000	...	262,000	1,583,000	+451,000

E. F. HARRISON,
Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

I]

REVENUE AND EXPENDITURE OF TH

Estimate

REVENUE.	ACCOUNTS, 1873-74.	BUDGET ESTIMATES, 1874-75.	REGULAR ESTIMATES, 1874-75.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1875-76.	BUDGET ESTIMATES, 1875-76, COMPARED WITH REGULAR ESTIMATES, 1874-75.
	£	£	£	£	£	£	£
I.—LAND REVENUE ...	21,037,912	21,404,000	21,083,000	...	321,000	21,379,000	+ 296,000
II.—TRIBUTES AND CONTRIBUTIONS FROM NATIVE STATES	768,544	726,000	739,000	13,000	...	700,000	— 39,000
III.—FOREST	623,131	606,000	599,000	...	7,000	572,000	— 27,000
IV.—EXCISE ON SPIRITS AND DRUGS	2,286,637	2,286,000	2,335,000	49,000	...	2,370,000	+ 35,000
V.—ASSESSED TAXES ...	20,136	...	3,000	3,000	...	...	— 3,000
VI.—CUSTOMS	2,628,495	2,738,000	2,642,000	...	96,000	2,670,000	+ 28,000
VII.—SALT	6,150,662	6,079,000	6,188,000	109,000	...	6,208,000	+ 20,000
VIII.—OPIUM	8,324,879	7,615,000	8,520,000	905,000	...	8,050,000	— 470,000
IX.—STAMPS	2,699,936	2,708,000	2,779,000	71,000	...	2,784,000	+ 5,000
X.—MINT	66,529	124,000	133,000	9,000	...	72,000	— 61,000
XI.—POST OFFICE ...	688,198	695,000	713,000	18,000	...	735,000	+ 22,000
XII.—TELEGRAPH	246,425	241,200	265,500	24,300	...	268,400	+ 2,900
XIII.—LAW AND JUSTICE ...	359,146	333,000	321,000	...	12,000	319,000	— 2,000
XIV.—MARINE	235,099	201,000	200,700	...	300	197,000	— 3,700
XV.—INTEREST	395,028	447,000	458,000	11,000	...	552,000	+ 94,000
XVI.—RECEIPTS IN AID OF SUPERANNUATION, RETIRED AND COMPASSIONATE ALLOWANCES	601,719	584,400	599,000	14,600	...	542,400	— 56,600
XVII—GAIN BY EXCHANGE ON TRANSACTIONS WITH LONDON	395,168	322,000	370,000	48,000	...	325,000	— 45,000
XVIII.—MISCELLANEOUS ...	261,026	187,000	196,000	9,000	...	172,000	— 24,000
	47,788,670	47,296,600	48,144,200	847,600	...	47,915,800	— 228,400
ARMY	982,703	870,000	910,000	40,000	...	880,000	— 30,000
PUBLIC WORKS, ORDINARY ...	73,681	64,300	62,500	...	1,800	75,200	+ 12,700
IRRIGATION	475,174	491,900	488,000	...	3,000	532,000	+ 44,000
STATE RAILWAYS	39,914	95,600	121,000	26,000	...	230,000	+ 109,000
TOTAL ORDINARY ...	49,360,142	48,816,900	49,725,700	908,800	...	49,633,000	— 92,700

FORT WILLIAM;
FINANCIAL DEPARTMENT,
The 13th March 1875.

EDWARD GAY,
Deputy Comptroller General.

GOVERNMENT OF INDIA IN INDIA.

1875-76.

EXPENDITURE.	Accounts, 1873-74.	Budget Estimates, 1874-75.	Regular Estimates, 1874-75.	Increase.	Decrease.	Budget Estimates, 1875-76.	Budget Estimates, 1875-76, compared with Regular Estimates, 1874-75.
	£	£	£	£	£	£	£
1.—Interest on funded and unfunded debt ...	2,814,523	2,917,000	2,875,500	...	41,500	3,045,200	+ 169,700
2.—Interest on service funds and other accounts ...	541,001	359,000	382,000	23,000	...	376,000	— 6,000
3.—Refunds and drawbacks ...	277,183	262,000	311,000	49,000	...	300,000	— 11,000
4.—Land revenue ...	2,482,803	2,509,400	2,470,100	...	39,300	2,477,700	+ 7,600
5.—Forest ...	384,540	440,000	427,200	...	12,800	402,800	— 24,400
6.—Excise on spirits and drugs	93,569	87,000	83,000	...	4,000	86,000	+ 3000
7.—Assessed taxes ...	2,165	...	...	...	...	...	...
8.—Customs ...	183,863	186,000	178,000	...	8,000	179,000	+ 1000
9.—Salt ...	477,967	490,000	478,900	...	11,100	498,000	+ 19,100
10.—Opium ...	2,001,277	2,115,000	2,349,700	234,700	...	2,300,000	— 49,700
11.—Stamps ...	65,927	70,500	66,400	...	4,100	74,000	+ 7,600
12.—Mint ...	70,620	82,000	112,600	30,600	...	73,600	— 39,000
13.—Post office ...	736,910	733,600	745,200	11,600	...	752,500	+ 7,300
14.—Telegraph ...	330,417	382,100	356,200	...	25,900	395,000	+ 38,800
15.—Administration ...	1,243,233	1,191,500	1,211,400	19,900	...	1,247,400	+ 36,000
16.—Minor departments ...	290,226	283,600	274,600	...	9,000	278,000	+ 3,400
17.—Law and justice ...	2,266,136	2,277,000	2,281,300	4,300	...	2,337,500	+ 56,200
18.—Marine ...	367,900	383,200	374,800	...	8,400	402,600	+ 27,800
19.—Ecclesiastical ...	157,577	158,100	158,600	500	...	160,100	+ 1,500
20.—Medical ...	180,596	180,200	187,200	7,000	...	180,200	— 7,000
21.—Political agencies ...	331,283	402,000	331,100	...	70,900	303,000	— 28,100
22.—Allowances and assignments under treaties and engagements ...	1,837,364	1,702,600	1,720,600	18,000	...	1,675,600	— 45,000
24.—Superannuation, retired, and compassionate allowances ...	662,598	700,000	691,000	...	9,000	695,500	+ 4,500
25.—Loss by exchange on transactions with London ...	986,530	746,000	869,000	123,000	...	1,390,000	+ 521,000
26.—Miscellaneous ...	59,803	44,800	98,800	54,000	...	43,800	— 55,000
27.—Allotments for provincial services ...	5,069,972	5,030,000	5,123,000	93,000	...	5,058,400	— 64,600
Famine relief ...	3,851,423	2,522,000	2,370,900	...	151,100	Nil	—2,370,900
TOTAL ...	27,767,406	26,254,600	26,528,100	273,500	...	24,731,900	—1,796,200
Army ...	11,872,941	11,869,700	11,870,300	600	...	11,930,400	+ 60,100
Public works, ordinary ...	2,229,386	2,421,200	2,429,700	8,500	...	2,570,200	+ 140,500
State railways ...	72,824	104,000	281,000	177,000	...	180,000	— 101,000
Land and supervision (guaranteed railways) ...	152,438	129,000	74,000	...	55,000	91,000	+ 17,000
	42,094,995	40,778,500	41,183,100	404,600	...	39,503,500	—1,679,600
Public works, extraordinary	2,542,642	3,420,000	2,897,400	...	522,600	3,600,200	+ 702,800
GRAND TOTAL ...	44,637,637	44,198,500	44,080,500	...	118,000	43,103,700	— 976,800

E. F. HARRISON,
Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

I

REVENUE AND EXPENDITURE AT THE HOM

Estimate

REVENUE.	ACCOUNTS, 1873-74.	BUDGET ESTIMATES, 1874-75.	REGULAR ESTIMATES, 1874-75.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1875-76.	BUDGET ESTIMATES, 1875-76, COMPARED WITH REGULAR ESTIMATES 1874-75.
	£	£	£	£	£	£	£
X.—MINT ...	15	...	...	...	...	...	...
XII.—TELEGRAPH ...	4213	10,800	13,500	2,700	...	21,600	+ 8,10
XIV.—MARINE ...	1,224	...	81,300	81,300	...	...	— 81,30
XV.—INTEREST	69,882	15,000	79,000	64,000	...	20,000	— 59,00
XVI.—RECEIPTS IN AID OF SUPERANNUATION, RETIRED AND COMPASSIONATE ALLOWANCES	98,049	94,600	95,000	400	...	91,600	— 3,40
XVIII.—MISCELLANEOUS ...	35,935	8,000	29,000	21,000	...	8,000	— 21,00
TOTAL ...	209,318	128,400	297,800	169,400	...	141,200	— 156,60
ARMY	26,421	20,000	29,000	9,000	...	27,000	— 2,00
PUBLIC WORKS, ORDINARY ...	15,830	18,700	17,500	...	1,200	18,800	+ 1,30
GRAND TOTAL ...	251,569	167,100	344,300	177,200	...	187,000	— 157,30

FORT WILLIAM;
FINANCIAL DEPARTMENT,
The 13th March 1875.

EDWARD GAY,
Deputy Comptroller General.

I.

TREASURY OF THE GOVERNMENT OF INDIA.

1875-76.

EXPENDITURE.	ACCOUNTS, 1873-74.	BUDGET ESTIMATES, 1874-75.	REGULAR ESTIMATES, 1874-75.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1875-76.	BUDGET ESTIMATES, 1875-76, COMPARED WITH REGULAR ESTIMATES, 1874-75.
	£	£	£	£	£	£	£
1.—INTEREST ON FUNDED AND UNFUNDED DEBT ...	2,434,297	2,210,000	2,190,500	...	19 500	2,162,800	—27,700
3.—REFUNDS AND DRAWBACKS...	15,662	...	14,000	14,000	...	...	—14,000
4.—LAND REVENUE ...	3,472	3,600	5,900	2,300	...	2,300	—3,600
5.—FOREST	5,959	3,000	5,800	2,800	...	2,200	—3,600
9.—SALT	278	...	100	100	...	...	—100
10.—OPIUM	3	...	300	300	...	...	—300
11.—STAMPS	22,913	46,500	59,600	13,100	...	49,000	—10,600
12.—MINT	5,609	86,000	15,400	...	70,600	16,400	+1,000
13.—POST OFFICE	71,774	79,400	58,800	...	20,600	63,500	+4,700
14.—TELEGRAPH	81,384	67,900	78,800	10,900	...	89,000	+10,200
15.—ADMINISTRATION ...	334,053	367,500	425,600	58,100	...	367,600	—58,000
16.—MINOR DEPARTMENTS ...	29,687	39,400	34,400	...	5,000	21,000	—13,400
17.—LAW AND JUSTICE ...	43	2,000	1,700	...	300	2,500	+800
18.—MARINE	106,856	144,800	127,200	...	17,600	139,400	+12,200
19.—ECCLESIASTICAL	1,950	900	1,400	500	...	900	—500
20.—MEDICAL	...	6,800	6,800	...	...	6,800	...
21.—POLITICAL AGENCIES ...	34,926	43,000	41,900	...	1,100	33,000	—8,900
22.—ALLOWANCES AND ASSIGNMENTS UNDER TREATIES AND ENGAGEMENTS	19,336	19,400	19,400	...	...	19,400	...
23.—CIVIL, FURLOUGH AND ABSENTEE ALLOWANCES ...	260,556	277,000	221,000	...	56,000	221,000	...
24.—SUPERANNUATION, RETIRED AND COMPASSIONATE ALLOWANCES	914,084	1,118,000	1,148,000	30,000	...	1,167,500	+19,500
26.—MISCELLANEOUS	34,339	25,200	36,200	11,000	...	26,200	—10,000
27.—ALLOTTMENTS FOR PROVINCIAL SERVICES	...	...	1,000	1,000	...	600	—400
FAMINE RELIEF	13,250	58,000	71,100	13,100	...	Nil	—71,100
TOTAL ...	4,390,481	4,598,400	4,564,900	...	33,500	4,391,100	—173,800
MY	3,355,333	3,517,300	3,628,700	111,400	...	3,752,600	+123,900
BLIC WORKS, ORDINARY ...	126,337	83,800	114,300	30,500	...	83,800	—30,500
ARANTEED INTEREST LESS NET RAFFIC RECEIPTS	1,437,352	1,394,000	1,132,000	...	262,000	1,583,000	+451,000
	9,309,453	9,593,500	9,439,900	...	153,600	9,810,500	+370,600
BLIC WORKS, EXTRAORDINARY ...	1,010,665	1,143,000	1,137,600	...	5,400	699,800	—437,800
GRAND TOTAL ...	10,320,118	10,736,500	10,577,500	...	159,000	10,510,300	—67,200

E. F. HARRISON,
Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

I

RECEIPTS AND DISBURSEMENTS AT THE TREASURIES OF

RECEIPTS.	Accounts, 1873-74.	Budget estimates, 1874-75.	Regular estimates, 1874-75.	Increase.	Decrease.	Budget estimates, 1875-76.	Estimates, 1875-76, compared with Regular estimates, 1874-75.
	£	£	£	£	£	£	£
I.—Opening balance ...	21,786,137	16,143,838	16,048,498	...	95,340	18,386,198	+2,337,700
II.—Imperial revenue ...	49,611,711	48,984,000	50,070,000	1,086,000	...	49,820,000	—250,000
III.—Traffic earnings of guaranteed railways	7,641,042	7,387,000	8,245,400	858,400	...	7,449,900	—795,500
IV.—Provincial revenue ...	6,624,496	6,130,200					
V.—Local revenue ...	4,159,661	3,171,600	12,532,800	2,508,000	...	10,832,700	—1,700,100
VI.—Municipal income ...	818,384	723,000					
VII.—Service funds, civil ...	891,828	479,500	507,000	27,500	...	494,000	—13,000
VIII.—Service funds, military	16	3,500	...	...	3,500	...	
IX.—Loans to native states corporations and individuals repaid ...	123,685	110,000	174,000	64,000	...	131,000	—43,000
X.—Savings banks deposits	1,177,352	900,000	821,000	...	79,000	826,000	+5,000
XI.—Other deposits received & advances recovered	12,122,026	8,500,000	13,879,700	5,379,700	...	9,690,700	—4,189,000
XII.—Local remittances ...	656,641	280,000	404,000	124,000	...	298,000	—106,000
XIII.—Inter-provincial and inter-departmental transactions ...	16,839,140	17,376,000	13,765,000	...	3,611,000	16,591,000	+2,826,000
XIV.—Remittance account with the home treasury ...	1,732,348	1,082,600	1,013,000		69,600	939,000	—74,000
XV.—Secretary of state's bills on India sold...	13,285,678	10,000,000	10,842,000	842,000		14,300,000	+3,458,000
XVI.—Sundry obligations incurred ...	489,405	533,000	514,000	...	19,000	502,000	—12,000
XVII.—Public debt incurred...	2,109,377	9,138,400	9,242,000	103,600		3,300,000	—5,942,000
XVIII.—Guaranteed railway capital received ...	2,924,829	2,153,200	2,081,300		71,900	2,147,900	+66,600
TOTAL ...	142,993,756	133,095,838	140,139,698	10,993,200	3,949,340	135,708,398	—4,431,300

Abstract of the above shewing how t

ACCOUNTS, 1873-74.				REGULAR ES	
	£		£		£
Cash balance reduced ...	5,737,639	Deficit of imperial revenue ...	5,346,043	Service funds, civil ...	116,00
Service funds, civil ...	68,614	Deficit of povincial, local and municipal revenue	483,574	Savings banks deposits ...	60,00
Savings banks deposits ...	258,694	Service funds, military ...	366,472	Deposits received and advances recovered ...	164,20
Deposits received and advances recovered ...	163,457	Loans to native states, corporations and individuals...	457,164	Sundry obligations ...	219,70
Sundry obligations ...	202,877	Public debt paid off ...	36,078	Remittances	39,30
Remittances	125,128			Public debt incurred ...	8,494,90
Guaranteed Railway capital received	132,922				
TOTAL ...	6,689,331	TOTAL ...	6,689,331	TOTAL ...	9,094,10

Fort William;
Financial Department,
The 13th March 1875.

EDWARD GAY,
Deputy Comptroller Gene

V.

THE GOVERNMENT OF INDIA, IN INDIA AND IN ENGLAND.

DISBURSEMENTS.	ACCOUNTS, 1873-74.	BUDGET ESTIMATES, 1874-75.	REGULAR ESTIMATES, 1874-75.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1875-76.	ESTIMATES, 1875-76, COMPARED WITH REGULAR ESTIMATES, 1874-75.
	£	£	£	£	£	£	£
1.—IMPERIAL EXPENDITURE ...	53,520,403	54,935,000	53,526,000	...	1,409,000	52,031,000	—1,495,000
2.—WORKING EXPENSES OF GUARANTEED RAILWAYS ...	4,410,488	4,085,000	4,683,400	598,400	...	4,307,900	—375,500
3.—INTEREST ON GUARANTEED RAILWAY CAPITAL SUPPLIED FROM SURPLUS EARNINGS...	4,667,905	3,302,000	4,694,000	1,392,000	...	4,725,000	+31,000
4.—PROVINCIAL EXPENDITURE ...	7,032,048	6,224,400					
5.—LOCAL EXPENDITURE ...	4,247,210	3,627,100	12,546,000	1,913,500	...	11,189,000	—1,357,000
6.—MUNICIPAL EXPENDITURE ...	806,857	781,000					
7.—SERVICE FUNDS, CIVIL ...	823,214	379,700	391,000	11,300	...	433,600	+42,600
8.—SERVICE FUNDS, MILITARY ...	366,488	361,800	365,200	3,400	...	313,000	—52,200
9.—LOANS ADVANCED TO NATIVE STATES, CORPORATIONS AND INDIVIDUALS ...	580,849	610,000	1,027,200	417,200	...	500,000	—527,200
10.—SAVINGS BANKS DEPOSITS WITHDRAWN ...	918,658	900,000	761,000	...	139,000	744,000	—17,000
11.—OTHER DEPOSITS REPAID AND ADVANCES MADE ...	11,958,569	8,080,000	13,715,500	5,635,500	...	8,595,000	—5,120,500
12.—LOCAL REMITTANCES ...	1,041,254	280,000	404,000	124,000	...	298,000	—106,000
13.—INTER-PROVINCIAL AND INTER-DEPARTMENTAL TRANSACTIONS ...	16,462,721	17,376,000	13,765,000	...	3,611,000	16,591,000	+2,826,000
14.—REMITTANCE ACCOUNT WITH THE HOME TREASURY ...	1,603,899	1,082,600	939,500	....	143,100	1,030,000	+90,500
15.—SECRETARY OF STATE'S BILLS ON INDIA PAID ...	13,280,805	10,000,000	10,876,200	876,200	....	14,300,000	+3,423,800
16.—SUNDRY OBLIGATIONS DISCHARGED ...	286,528	269,600	294,300	24,700	...	308,700	+14,400
17.—PUBLIC DEBT DISCHARGED ...	2,145,455	638,400	747,100	108,700	...	464,000	—283,100
18.—GUARANTEED RAILWAY CAPITAL WITHDRAWN ...	2,791,907	3,621,900	3,018,100	...	603,800	2,781,600	—236,500
19.—CLOSING BALANCE ...	16,048,498	16,541,338	18,386,198	1,844,860	...	17,096,598	—1,289,600
TOTAL ...	142,993,756	133,095,838	140,139,698	12,949,760	5,905,900	135,708,398	— 4,431,300

ays and means are provided.

ATES, 1874-75.		BUDGET ESTIMATES, 1875-76.			
	£		£		£
DEFICIT OF IMPERIAL REVENUE ...	4,588,000	SERVICE FUNDS, CIVIL ...	60,400	DEFICIT OF IMPERIAL REVENUE	3,794,000
DEFICIT OF PROVINCIAL, LOCAL AND MUNICIPAL REVENUE	13,200	DEPOSITS RECEIVED AND ADVANCES RECOVERED ...	1,095,700	DEFICIT OF PROVINCIAL, LOCAL AND MUNICIPAL REVENUE ...	356,300
SERVICE FUNDS, MILITARY ...	365,200	SUNDRY OBLIGATIONS ...	193,300	SERVICE FUNDS, MILITARY ...	313,000
LOANS TO NATIVE STATES, CORPORATIONS AND INDIVIDUALS	853,200	PUBLIC DEBT INCURRED ...	2,836,000	LOANS TO NATIVE STATES, CORPORATIONS AND INDIVIDUALS	369,000
GUARANTEED RAILWAY CAPITAL WITHDRAWN ...	936,800	SAVINGS BANK DEPOSITS ...	82,000	GUARANTEED RAILWAY CAPITAL WITHDRAWN ...	633,700
H BALANCE INCREASED ...	2,337,700	CASH BALANCE REDUCED ...	1,289,600	REMITTANCES ...	91,600
TOTAL ...	9,094,100	TOTAL ...	5,557,000	TOTAL ...	5,557,000

E. F. HARRISON,
Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

V

RECEIPTS AND DISBURSEMENTS AT THE TRE

RECEIPTS.	Accounts, 1873-74.	Budget estimates, 1874-75.	Regular estimates, 1874-75.	Increase.	Decrease.	Budget estimates, 1875-76.	Estimates, 1875-76, compared with regular estimates, 1874-75.
	£	£	£	£	£	£	£
I.—Opening balance ...	18,787,693	14,123,693	14,033,442	...	90,251	15,700,042	+1,666,600
II.—Imperial revenue ...	49,360,142	48,816,900	49,725,700	908,800	...	49,633,000	—92,700
III.—Traffic earnings of guaranteed railways	7,641,042	7,387,000	8,245,400	858,400	...	7,449,900	—795,500
IV.—Provincial revenue ...	6,624,496	6,130,200					
V.—Local revenue ...	4,159,661	3,171,600	12,532,800	2,508,000	...	10,832,700	—1,700,100
VI.—Municipal income ...	818,384	723,000					
VII.—Service funds, civil ...	891,828	479,500	507,000	27,500	...	494,000	—13,000
VIII.—Service funds, military	16	3,500	...	...	3,500	...	...
IX.—Loans to native states corporations and individuals re-paid ...	123,685	110,000	174,000	64,000	...	131,000	—43,000
X.—Savings banks deposits	1,177,352	900,000	821,000	...	79,000	826,000	+5,000
XI.—Other deposits received & advances recovered	12,116,434	8,497,000	13,870,500	5,373,500	...	9,687,700	—4,182,800
XII.—Local remittances ...	656,641	280,000	404,000	124,000	...	298,000	—106,000
XIII.—Inter-provincial and inter-departmental transactions ...	16,839,140	17,376,000	13,765,000	...	3,611,000	16,591,000	+2,826,000
XIV.—Remittance account with the home treasury ...	1,505,934	1,019,600	876,000	...	143,600	844,000	—32,000
XV.—Secretary of state's bills on India sold ...	...	...	...	...	...	...	...
XVI.—Sundry obligations incurred ...	489,405	533,000	514,000	...	19,000	502,000	—12,000
XVII.—Public debt incurred	1,085,377	4,138,400	4,171,000	32,600	...	3,300,000	—871,000
XVIII.—Guaranteed railway capital received ...	1,596,993	1,319,600	1,350,100	30,500	...	1,227,600	—122,500
TOTAL ...	123,874,223	115,008,993	120,989,942	9,927,300	3,946,351	117,516,942	—3,473,000

Abstract of the above showing how th

ACCOUNTS, 1873-74.				REGULAR EST	
	£		£		£
Cash balance reduced ...	4,754,251	Deficit of Provincial, Local and Municipal Revenue	483,574	Imperial revenue ...	5,610,600
Imperial revenue ...	4,686,130	Service funds, military ...	366,472	Guaranteed railways traffic earnings ...	3,562,000
Guaranteed railways traffic earnings ...	3,230,554	Loans to native states corporations and individuals	457,164	Service funds, civil ...	116,000
Deposits received and advances recovered ...	163,097	Secretary of state's bills paid	13,280,805	Savings banks deposits ...	60,000
Service funds, civil ...	68,614	Public Debt paid off ...	41,078	Deposits received and advances recovered ...	156,400
Savings banks deposits ...	258,694			Sundry obligations ...	219,700
Remittances ...	1,189,507			Remittances ...	723,500
Sundry obligations ...	202,877			Public Debt incurred ...	3,424,900
Guaranteed railway capital received ...	75,369				
TOTAL ...	14,629,093	TOTAL ...	14,629,093	TOTAL ...	13,873,10

Fort William;
Financial Department,
The 13th March 1875.

EDWARD GAY,
Deputy Comptroller Gener

SURIES OF THE GOVERNMENT OF INDIA IN INDIA.

DISBURSEMENTS.	Accounts, 1873-74.	Budget Estimates, 1874-75.	Regular Estimates, 1874-75.	Increase.	Decrease.	Budget Estimates, 1875-76.	Estimates, 1875-76, compared with Regular Estimates, 1874-75.
	£	£	£	£	£	£	£
1.—Imperial Expenditure ...	44,637,637	44,198,500	44,080,500	...	118,000	43,103,700	—976,800
2.—Working Expenses of Guaranteed Railways ...	4,410,488	4,085,000	4,683,400	598,400	...	4,307,900	— 375,500
3.—Interest on Guaranteed Railway Capital supplied from Surplus Earnings ...	36,375	36,000	34,600	...	1,400	35,000	+ 400
4.—Provincial Expenditure ...	7,032,048	6,224,400					
5.—Local Expenditure ...	4,247,210	3,627,100	12,546,000	1,913,500	...	11,189,000	— 1,357,000
6.—Municipal Expenditure ...	806,857	781,000					
7.—Service Funds, Civil ...	823,214	379,700	391,000	11,300	...	433,600	+ 42,600
8.—Service Funds, Military ...	366,488	361,800	365,200	3,400	...	313,000	— 52,200
9.—Loans advanced to Native States, Corporations and Individuals ...	580,849	610,000	1,027,200	417,200	...	500,000	— 527,200
10.—Savings Banks Deposits withdrawn ...	918,658	900,000	761,000	...	139,000	744,000	— 17,000
11.—Other Deposits Repaid and Advances made ...	11,953,337	8,077,000	13,714,100	5,637,100	...	8,592,000	— 5,122,100
12.—Local Remittances ...	1,041,254	280,000	404,000	124,000	...	298,000	— 106,000
13.—Inter-provincial and Inter-Departmental Transactions ...	16,462,721	17,376,000	13,765,000	...	3,611,000	16,591,000	+ 2,826,000
14.—Remittance account with the Home Treasury ...	308,233	139,400	152,500	13,100	...	134,500	— 18,000
15.—Secretary of State's Bills on India paid ...	13,280,805	10,000,000	10,876,200	876,200	...	14,300,000	+ 3,423,800
16.—Sundry Obligations Discharged ...	286,528	269,600	294,300	24,700	...	308,700	+ 14,400
17.—Public Debt Discharged ...	1,126,455	638,400	746,100	107,700	...	464,000	— 282,100
18.—Guaranteed Railway Capital withdrawn ...	1,521,624	1,752,500	1,448,800	...	303,700	1,234,900	— 213,900
19.—Closing Balance ...	14,033,442	15,272,593	15,700,042	427,449	...	14,967,642	— 732,400
TOTAL ...	123,874,223	115,008,993	120,989,942	10,154,049	4,173,100	117,516,942	— 3,473,000

ays and means are provided

ATES, 1874-75.

	£
EFICIT OF PROVINCIAL, LOCAL AND MUNICIPAL REVENUE ...	13,200
ERVICE FUNDS, MILITARY ...	365,200
OANS TO NATIVE STATES, CORPORATIONS AND INDIVIDUALS	853,200
ECRETARY OF STATE'S BILLS PAID ...	10,876,200
ASH BALANCE INCREASED ...	1,666,600
UARANTEED RAILWAY CAPITAL WITHDRAWN ...	98,700
TOTAL ...	13,873,100

BUDGET ESTIMATES, 1875-76.

	£
Cash Balance reduced ...	732,400
Imperial Revenue ...	6,494,300
Guaranteed Railways Traffic Earnings ...	3,142,000
Service Funds, Civil ...	60,400
Savings Banks Deposits ...	82,000
Deposits received and Advances recovered ...	1,095,700
Remittances ...	709,500
Sundry Obligations ...	193,300
Public Debt incurred ...	2,836,000
TOTAL ...	15,345,600

	£
Deficit of Provincial, Local and Municipal Revenue	356,300
Service Funds, Military ...	313,000
Loans to Native States, Corporations and Individuals	369,000
Secretary of State's Bills paid ...	14,300,000
Guaranteed Railway Capital withdrawn ...	7,300
TOTAL ...	15,345,600

E. F. HARRISON,
Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

V

RECEIPTS AND DISBURSEMENTS AT THE HOME

RECEIPTS.	ACCOUNTS, 1873-74.	BUDGET ESTIMATES, 1874-75.	REGULAR ESTIMATES, 1874-75.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1875-76.	ESTIMATES, 1875-76, COMPARED WITH REGULAR ESTIMATES, 1874-75.
	£	£	£	£	£	£	£
I.—OPENING BALANCE ...	2,998,444	2,020,145	2,015,056		5,089	2,686,156	+ 671,100
II.—IMPERIAL REVENUE ...	251,569	167,100	344,300	177,200		187,000	— 157,300
III.—TRAFFIC EARNINGS OF GUARANTEED RAILWAYS	...	...					
IV.—PROVINCIAL REVENUE ...	...	...					
V.—LOCAL REVENUE ...	...	...					
VI.—MUNICIPAL INCOME ...	...	...					
VII.—SERVICE FUNDS, CIVIL ...	...	...					
VIII.—SERVICE FUNDS, MILITARY	...	...					
IX.—LOANS TO NATIVE STATES, CORPORATIONS AND INDIVIDUALS REPAID ...	...	...					
X.—SAVINGS BANKS DEPOSITS	...	...					
XI.—OTHER DEPOSITS RECEIVED AND ADVANCES RECOVERED ...	5,592	3,000	9,200	6,200		3,000	— 6,200
XII.—LOCAL REMITTANCES ...	...	...					
XIII.—INTER-PROVINCIAL AND INTER-DEPARTMENTAL TRANSACTIONS ...	...	...					
XIV.—REMITTANCE ACCOUNT WITH THE HOME TREASURY ...	226,414	63,000	137,000	74,000		95,000	— 42,000
XV.—SECRETARY OF STATE'S BILLS ON INDIA SOLD...	13,285,678	10,000,000	10,842,000	842,000		14,300,000	+ 3,458,000
XVI.—SUNDRY OBLIGATIONS INCURRED ...	...	...					
XVII.—PUBLIC DEBT INCURRED	1,024,000	5,000,000	5,071,000	71,000			— 5,071,000
XVIII.—GUARANTEED RAILWAY CAPITAL RECEIVED ...	1,327,836	833,600	731,200		102,400	920,300	+ 189,100
TOTAL ...	19,119,533	18,086,845	19,149,756	1,170,400	107,489	18,191,456	— 958,300

Abstract of the above showing how the

ACCOUNTS, 1873-74.				REGULAR EST	
	£		£		£
SECRETARY OF STATE'S BILLS SOLD ...	13,285,678	EXCESS OF IMPERIAL EXPENDITURE OVER REVENUE ...	8,631,197	DEPOSITS RECEIVED AND ADVANCES RECOVERED ...	7,800
CASH BALANCE REDUCED ...	983,388	INTEREST ON GUARANTEED RAILWAY CAPITAL ...	4,631,530	SECRETARY OF STATE'S BILLS SOLD ...	10,842,000
DEPOSITS RECEIVED AND ADVANCES RECOVERED ...	360	REMITTANCES ...	1,069,252	PUBLIC DEBT INCURRED ...	5,070,000
PUBLIC DEBT INCURRED ...	5,000				
GUARANTEED RAILWAY CAPITAL RECEIVED ...	57,553				
TOTAL ...	14,331,979	TOTAL ...	14,331,979	TOTAL ...	15,919,

FORT WILLIAM;
FINANCIAL DEPARTMENT,
The 18th March 1875.

EDWARD GAY,
Deputy Comptroller Gen

I.

TREASURY OF THE GOVERNMENT OF INDIA.

DISBURSEMENTS.	ACCOUNTS, 1873-74.	BUDGET ESTIMATES, 1874-75.	REGULAR ESTIMATES, 1874-75.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1875-76.	ESTIMATES, 1875-76, COMPARED WITH REGULAR ESTIMATES, 1874-75.
	£	£	£	£	£	£	£
1.—IMPERIAL EXPENDITURE ...	8,882,766	10,736,500	9,445,500	...	1,291,000	8,927,300	— 518,200
2.—WORKING EXPENSES OF GUARANTEED RAILWAYS ...		...					
3.—INTEREST ON GUARANTEED RAILWAY CAPITAL SUPPLIED FROM SURPLUS EARNINGS	4,631,530	3,266,000	4,659,400	1,393,400	...	4,690,000	+ 30,600
4.—PROVINCIAL EXPENDITURE ...							
5.—LOCAL EXPENDITURE ...							
6.—MUNICIPAL EXPENDITURE ...							
7.—SERVICE FUNDS, CIVIL ...							
8.—SERVICE FUNDS, MILITARY ...							
9.—LOANS ADVANCED TO NATIVE STATES, CORPORATIONS AND INDIVIDUALS ...							
10.—SAVINGS BANKS DEPOSITS WITHDRAWN ...							
11.—OTHER DEPOSITS REPAID AND ADVANCES MADE ...	5,232	3,000	1,400	...	1,600	3,000	+ 1,600
12.—LOCAL REMITTANCES ...							
13.—INTER-PROVINCIAL AND INTER-DEPARTMENTAL TRANSACTIONS ...							
14.—REMITTANCE ACCOUNT WITH THE HOME TREASURY ...	1,295,666	943,200	787,000	...	156,200	895,500	+ 108,500
15.—SECRETARY OF STATE'S BILLS ON INDIA PAID ...							
16.—SUNDRY OBLIGATIONS DISCHARGED ...							
17.—PUBLIC DEBT DISCHARGED ...	1,019,000		1,000	1,000	...		— 1,000
18.—GUARANTEED RAILWAY CAPITAL WITHDRAWN ...	1,270,283	1,869,400	1,569,300	...	300,100	1,546,700	— 22,600
19.—CLOSING BALANCE ...	2,015,056	1,268,745	2,686,156	1,417,411	...	2,128,956	— 557,200
TOTAL ...	19,119,533	18,086,845	19,149,756	2,811,811	1,748,900	18,191,456	— 958,300

ways and means are provided.

IATES, 1874-75.		BUDGET ESTIMATES, 1875-76.			
	£		£		£
EXCESS OF IMPERIAL EXPENDITURE OVER REVENUE ...	9,101,200	CASH BALANCE REDUCED ...	557,200	EXCESS OF IMPERIAL EXPENDITURE OVER REVENUE ...	8,740,300
INTEREST ON GUARANTEED RAILWAY CAPITAL ...	4,659,400	SECRETARY OF STATE'S BILLS SOLD ...	14,300,000	INTEREST ON GUARANTEED RAILWAY CAPITAL ...	4,690,000
REMITTANCES ...	650,000			REMITTANCES ...	800,500
GUARANTEED RAILWAY CAPITAL WITHDRAWN ...	838,100			GUARANTEED RAILWAY CAPITAL WITHDRAWN ...	626,400
CASH BALANCE INCREASED ...	671,100				
TOTAL ...	15,919,800	TOTAL ...	14,857,200	TOTAL ...	14,857,200

E. F. HARRISON,
Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

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FINANCIAL STATEMENT FOR 1876-77,

CONTAINING THE BUDGET FOR THAT YEAR, WITH A REVIEW OF THE BUDGETS OF 1874-75 AND 1875-76.

FORT WILLIAM, THE 31ST MARCH 1876.

STATEMENT BY THE HON'BLE SIR WILLIAM MUIR, K.C.S.I.

IN the following Statement are embodied the Imperial Budget for 1876-77, the Regular estimate for 1875-76, and the Accounts as finally closed for 1874-75.

Accounts of 1874-75.

We shall begin as usual with the accounts of the year 1874-75, and compare the actual results as finally adjusted with the Regular estimate of the same, formed last year. These results will be found throughout highly satisfactory.

The budget as presented in 1874 gave the estimated revenue at £48,984,000. At the close of the year the Regular estimate gave ground for expecting £50,070,000. The sum actually realized was £50,570,177, that is to say, it was better than the Regular estimate by £500,177.

The ordinary expenditure was taken in the budget at £47,792,000. In the Regular estimate it was raised to £48,181,000. The actual charge stands at £48,013,187, or less than the Regular estimate by £167,813.

Thus, taking the whole account, the actual figures are better than the Regular estimate formed at the close of last year, by £667,990. It follows that the surplus then anticipated of £1,889,000 turned out actually to be a surplus of £2,556,990.

This large and gratifying surplus is irrespective of the Famine expenditure in Bengal. The famine charges of the year 1874-75 were £2,237,860; and if we include them in the account, the surplus is reduced from £2,556,990 to £319,130.

	Receipts.	Expenditure.	Surplus.
	£	£	£
Ordinary Account—			
Regular ...	50,070,000	48,181,000	1,889,000
Actuals ...	50,570,177	48,013,187	2,556,990
Famine charges added—			
Actuals ...	50,570,177	50,251,047	319,130

In estimating the normal surplus of 1874-75, it is proper to add that the Famine caused an increase of guaranteed-railway earnings of about £170,000, and that the loan of Five millions taken at home, diminished the entry of "Loss by exchange" by about £400,000; but even deducting these items, it will still be seen that the surplus, but for the Famine, would have been nearly Two millions sterling.

The improvement of the actual figures for the year over those of the Regular estimate is mainly due to the Land Revenue collections towards its close having been better than was expected in Madras, Oudh, and Bombay by £213,793. On the other hand, the Famine expenditure was below the sum estimated by £204,140.

For the rest, the Army receipts were better than estimated by £49,845; and the Opium Revenue by £36,629. Customs and Salt were also more productive by £75,780 than anticipated. The "Miscellaneous" entry shews an advance on the Revenue side of £53,144, owing to a large amount of lapsed deposits credited in Bombay; and an improvement also on the expenditure side of £12,963, due chiefly to the call for payments on the Government shares in the Bank of Bombay being adjusted under Debt. These shares having been since sold, it was thought better to adjust the account of both transactions under Debt, than to swell the Revenue of 1875-76 by the price of shares. Marine shows an excess of charge, £88,046, mainly owing to the Duffla expedition and also to the relief operations in Bengal. None of the other variations are of sufficient magnitude to call for remark.

The Extraordinary expenditure on reproductive works was put by the Regular estimate at £4,035,000; the amount actually expended was £4,249,566.

Regular Estimate, 1875-76.

REGULAR ESTIMATE, 1875-76.—We proceed to the accounts of the year about to expire. Of these we have the actual figures for at least ten months; in some of the entries for eleven months; and in a few we have the returns by telegraph almost to the close of the year. Thus the Regular estimate gives actual figures for by far the greater part of the year, and the conclusions shewn by it may be accepted as a fair approximation to what the facts will eventually prove.

The Budget and Regular estimates of ordinary revenue and expenditure shew the following results: The income was estimated at £49,820,000. It is expected to be £50,991,000; that is, it will probably be better than the estimate by £1,171,000.

The charges were estimated at £49,314,000. They will probably amount to £49,088,000; that is, they will be less than the estimate by £226,000.

The surplus was estimated at £506,000; it is expected to be £1,903,000.

But these figures, as before, are irrespective of Famine charges. Including them, the surplus falls from £1,903,000 to £1,247,000.

	Receipts. £	Expenditure. £	Surplus. £
Ordinary Account, Budget ...	49,820,000	49,314,000	506,000
Regular estimate	50,991,000	49,088,000	1,903,000
Add Famine charges	50,991,000	49,744,000	1,247,000

Apart, therefore, from the Bengal famine, nothing could be more assuring than the manner in which thus far the finance of the current year has answered to the expectations of the budget; and the improvement, especially on the Revenue side, has been spread over almost every head of the Account; while on the expenditure side the causes of increase will be satisfactorily accounted for below.

Bengal. Famine Expenditure.

The Famine charge of £656,000 has fallen upon the year 1875-76 instead of having been settled before in consequence of the difficulty found in adjusting the accounts of expenditure between the Local and Provincial accounts of the Bengal Government.

The following figures shew the estimates and expenditure for famine charges for each year:—

	Estimate.	Expenditure.
1873-74	3,920,000	3,864,673
1874-75	2,580,000	2,237,860
1875-76	.....	656,000
	6,500,000	6,758,533

There is a set-off of about £170,000 from this sum for increased traffic receipts for Railways; the net charge to Imperial revenues being £6,588,533. The estimate given in the budget for 1874-75 was 6½ millions. In the budget for last year it was hoped that the charge would have been somewhat less; this expectation has not been realized, but it is creditable to Sir Richard Temple that the estimates framed at first have proved to be so accurate.

We shall now explain the chief variations in detail between the budget and the estimate as now revised.

Opium Revenue, 1875-76.

As heretofore, the greatest disturbing cause has been Opium, which gives us a probable increase over the budget estimate of £483,000.* And this result has been attained notwithstanding that in framing the budget, the net estimate for Opium was raised a quarter of a million in excess of the estimates of previous years; and notwithstanding also that certain drawbacks, such as a deficient stock in Malwa and some combination there for a time to stop the export of opium, have militated against the revenue. It is clear that this branch of income may with safety be dealt with at a still higher estimate than that of the expiring year.

Opium.

		£
* Revenue above estimate	...	399,000
Charges below estimate	...	84,000
TOTAL	...	483,000

Putting now aside the Famine charges and Opium surplus, the net improvement in the income of the year amounts to £914,000, which is attributable to the following causes:—

Improvement on Budget receipts for 1875-76.

First as to income. The estimates have proved insufficient but in a very few cases.

DEFICIENCIES AS COMPARED WITH ESTIMATE, FEW.

Land Revenue shews £7,000 less than was estimated. This is entirely due to losses from drought in Madras, which were at first estimated by the Local Government at no less a sum than £120,000. The general improvement throughout the empire is, however, so sure and steady that it is not improbable the full estimate may, notwithstanding this drawback, be yet attained.

EXCESS UPON THE ESTIMATES.

Tributes.—The increase of £23,000 is due to an under-estimate of the contribution from the Maharaja of Jodhpur, and to certain unexpected succession fees.

Forest, £52,000; general improvement.

Excise, £118,000. This branch of the revenue is steadily rising.

Customs.—Increased receipts £35,000; increased expenditure £8,000; net increase £27,000. The changes in duty effected by the Tariff Act were calculated at a total loss on the budget estimate of £366,000 (including the altered valuations), to be recouped by compensatory duties on spirits and a few other articles, in a sum amounting to about £100,000; or a net loss (exclusive of £42,000 allowed for in the budget by anticipation for lowered valuations) of £266,000. But the Customs Revenue has been peculiarly productive this year. In the beginning of August, when the measure was enacted, the income had already risen £117,000 above the estimate for the first four months, and we then looked for a loss on the estimate of this year of about £70,000. But the growth of income has been so successfully maintained that, instead of a deficit, we now not only find the loss of the revenue for the last 8 months, which was estimated at £177,000, entirely recouped, but we actually look for a surplus over the estimate, as well as over the revenue of the previous year, of £27,000 net.

Salt.—The administration of this department has been highly successful, and the revenue is steadily advancing. The gross income of 1874-75 was £6,227,301. The budget estimate for 1875-76 was £6,208,000; we now expect £6,286,000, that is, an improvement of £78,000; or, deducting increased charges, £62,000 net.

Stamps shew an increase over the estimate of £31,000, and a saving in expenditure of £17,000, being a total improvement of £48,000. This source of revenue, taken in conjunction with *Law and Justice* (from which much revenue has recently been transferred to the head of Stamps), is advancing though slowly yet steadily.

The *Mints* give a surplus over the estimate of £34,000, or net £17,000, mainly due to an unexpected coinage of copper.

The *Post Office*, estimated to yield £735,000, is expected to give £759,000, that is, an increase of £24,000, or net £23,000.

Telegraph.—Receipts estimated at £290,000; will yield probably £303,000, or an increase of £13,000, owing chiefly to the failure of the Red Sea Cable, which threw an extra amount of traffic on the Indo-European Lines. As there is an increase of expenditure of £9,000, the net improvement is £4,000. This is notwithstanding the purchase of the lines of the Bombay, Baroda, and Central India Railway Company for £26,000. The gross revenue from Telegraph is increasing.

Receipts in aid of Superannuation and other allowances.—There is an increase in this year's apparent receipts of £116,000, caused by the retirement from the Bengal Medical Fund of above one hundred subscribers whose accumulated subscriptions £145,000 had to be repaid. To meet this charge, the whole balance at credit of the Fund was transferred in account, thus swelling the estimate; and it was insufficient to cover the expenditure. The Fund has accordingly become exhausted, and there will be a consequent deficit in the account for the ensuing year.

Gain by exchange, £49,000, will be found partly counterbalanced by loss on the opposite side of the sheet.

Miscellaneous.—Here the improvement of £92,000 is due mainly to the sale of the shares belonging to Government in the Bank of Bombay,—a transaction not contemplated when the budget was drawn up.

Army.—There is an improvement of £104,000 under this head.

Public Works shew a failure of £23,000, which is due to the Wurôra Colliery not having been brought into operation during the year, and also to decreased fees at Cooper's Hill.

State Railways increased their receipts from £130,986 in 1874-75, to £277,000, or by £146,000. The growth will be nearly as rapid in the coming year.

Improvement in Expenditure, 1875-76.

Proceeding now to the expenditure for 1875-76: the saving of £35,000 in *Interest* is owing to the Loan of this year having been taken later than was at first anticipated, and to the whole interest due in the year not having been drawn.

Refunds, £18,000 better than estimate.

Opium.—A saving of £84,000. The expenditure depends on the season; but £2,200,000 seems to be about the normal figure.

Stamps, £17,000; a saving in supplies from England.

Guaranteed Railway Interest.—This heading shews the large improvement of £581,000. The chief part of the improvement is caused by a transfer in account; £330,000 expended on repairs to damages occasioned by flood, were in a former year charged against Revenue. This has now been debited against Capital and a corresponding credit has been made to Revenue. But there has been also a large real growth of £251,000 in the revenue of the year, being partly normal increase of traffic, and partly increase of traffic due to the stimulus to travelling caused by the visit of His Royal Highness the Prince of Wales.

Increased Expenditure for 1875-76.

The following are the most noticeable excesses of expenditure over the budget estimate:—

Interest on Service Funds and other accounts, £15,000. Increase in Savings Bank balances.

Salt, £16,000. Increase of stock at Madras covered by increased revenue.

Administration, £87,000, caused by unusual demands for stationery from England.

Minor Departments, £10,000, arising from the payment to the Asiatic Society of Bengal of £15,000 as compensation for their claim to accommodation in the new building constructed for the Indian Museum.

Marine, £67,000. The excess is caused by the necessity to provide a Light-ship for the Sandheads, and a Dredger for Cochin.

Allowances and Assignments, £10,000; an advance to meet the marriage expenses of daughters of the King of Oudh.

Superannuation allowances, £128,000; due to the repayment of £145,000 to retiring members of the Bengal Medical Fund, as already explained.

Loss by exchange.—The rate taken in the budget was 1*s.* 9·87*d.* In the earlier months the drawings of the Secretary of State were not unfavourable; but as the year advanced, the rate rapidly fell, and for the last two months the Home Government ceased to sell any bills on India. To the end of January £12,976,000 had been raised at the cost of Rs. 14,38,62,000; so that the loss amounted to £1,410,000 calculated at the rate of 2*s.* per rupee, to which £15,000 must be added for miscellaneous items. The loss estimated in the budget was £1,390,000; and the increased charge is £35,000. It would, of course, have been very much greater had the full amount estimated (£14,300,000) been negotiated in the ordinary way.

Provincial allotments.—There is an advance on the estimates of £85,000 mainly in consequence of grants to Madras in aid of repairing damages by flood in Nellore, an additional grant to Burmah of £50,000, and a similar grant to Assam of £13,000.

Public Works Ordinary cost more than the estimate by £88,000. Additions had to be made to the grant during the year, amounting to £78,000; and £10,000 were added by the Secretary of State by transfer from the Army on account of furlough allowances.

State Railways shew an excess of £41,000; but this is more than covered by increased income.

Land and Supervision for Railways.—The over-expenditure of £4,000 is on account of land required for a Church and recreation ground at Parell for the employés of the Bombay Railways.

The expenditure for Public Works extraordinary, (*i. e.*, reproductive) was estimated at £4,300,000. It is now expected to be £4,143,000.

Budget of 1876-77

BUDGET OF 1876-77.—Having now explained the Regular estimate of 1875-76, and shown the circumstances under which the expected charges vary from those of the budget as framed last year, we proceed to consider the budget for the ensuing year 1876-77.

Affected by the fall in the value of Silver.

In approaching the budget of 1876-77, we are met at the threshold by the depreciation of silver in relation to gold and the fall in the rate of exchange, and by the consequent excess in the cost of supplying the Home Treasury with funds to meet the expenditure in England. Last year a fair and reasonable rate to be sustained as an average was assumed at 1*s.* 9·87 for the rupee, giving a debit against India (on £14,300,000 at the rate of 2*s.* per rupee) of £1,390,000. But during the year, an unexpected disturbance has depressed the silver market, and after many sudden

and spasmodic fluctuations, we can hardly at the present moment calculate on a rate which shall not be largely below what was considered last year to be safe. Now, a fall to such an extent, when calculated on the Fifteen millions sterling to be remitted by India to England, is equivalent to an additional charge of above a Crore of rupees. Consequently, if our estimates had been framed, with the same rate of exchange as last year, to yield the surplus of even a Million sterling, the whole of that surplus would be swallowed up by this single item of Exchange.

This, stated broadly, is very much what has actually happened in our budget estimates for the coming year. Apart from the sudden depression in the exchange, a satisfactory growth in every branch of the revenue would have enabled us to shew the surplus of a Million sterling. Before considering the cause which not only threatens the loss of this surplus, but hangs heavily upon our future, it will be advisable to review as usual the details of Revenue and Expenditure, and to explain the nature, extent, and reasons of the gain or loss apparent under the several heads of account.

Estimate of Receipts for 1876-77.

On the Revenue side, the first point to be noticed is that we have taken opium at Six millions sterling net. It was mentioned in the last Financial Statement, that for several years the estimate for opium had never been put above Five and a half millions net, notwithstanding that the actual revenue year by year would have justified a much higher estimate; an increase of a quarter of a million was taken accordingly for 1875-76, placing the estimated net revenue for that year at Five millions and three quarters. The Regular estimate justifies us in expecting a net revenue of £6,233,000, and this, as has already been shewn, in the face of some drawbacks. The average net revenue from opium during the past eight years has been £6,524,000,* and it has never in any one year fallen as low as Six millions; consequently we have felt no hesitation in taking the budget estimate for the coming year at Six millions net. The increase has been taken by raising the receipts by £150,000, and diminishing the expenditure by £100,000. As opium is one means by which China is paid for the tea it gives to England, the difficulty in the exchange transactions with the East will probably tend to quicken the export of opium in the coming year; and this may be held an additional reason for taking a fuller estimate than hitherto. Looking to the past there is every reason to anticipate that even this estimate will be exceeded; but as we are taking a quarter of a million more than we did last year, the excess on the estimate, whatever it may turn out, will of course be, by so much, less;—a point which must not be left out of view in judging of the margin on the entire budget.

	£
* 1868-69 ...	6,731,000
1869-70 ...	6,131,000
1870-71 ...	6,032,000
1871-72 ...	7,657,000
1872-73 ...	6,871,000
1873-74 ...	6,324,000
1874-75 ...	6,215,000
1875-76 (Regular estimate) ...	6,233,000
Average ...	£6,524,000

* *Land Revenue* shews an increase of £9,000, notwithstanding that a loss of about £40,000 is anticipated from drought in Madras. This branch of the revenue grows slowly but surely.

Tributes.—Here there is a falling off of £23,000 partly from the capitalization of the Indore tribute having been completed, and the consequent cessation of income from that quarter; and partly from certain succession fees realized in 1875-76 not being likely to recur next year.

Forest shews a small net decrease in the estimates; but we hope to reach at least the same net revenue as in the current year.

Excise.—The revenue under this head is rising rapidly; the income of 1875-76 shews, as we have seen, a net increase of £117,000, and we look for a further advance in the coming year of £35,000. This increase, if realized, will be obtained, not from increased consumption, but, as we trust, from a more effective administration of the department and from the increase of the duty on spirit (from Rs. 3 to Rs. 4 per gallon), which, if illicit dealings be suppressed, should tend materially towards the lessening of consumption.

Customs.—The Customs Revenue of the expiring year is so prosperous (being the highest, in point of fact, since 1861-62), that we have hesitated to take it as the standard for next year. Commerce has no doubt been stimulated to some perceptible extent by the relief granted in the Tariff Act; but we are yet too near the event to calculate with confidence what will be the permanent rebound of trade from that cause. On the other hand, there was a loss of about £308,000 from reduction of tariff duties and values; and as this did not take effect till one-third of the year had passed, we must reduce the present year's estimate by £85,000, or say from £2,705,000 to £2,620,000. In refraining from a higher estimate, the possible effect of the exchange in deranging trade has not been lost sight of.

	Customs.	£
1861-62	...	2,852,000
1875-76	...	2,705,000

Salt.—The revenue under this head is in a highly prosperous condition, as well in Madras and Bombay as on the Inland line. In Bengal the receipts have fallen considerably (by about £100,000); this is attributable partly to duty formerly levied at Calcutta on salt imported from Bombay, being now taken prior to export at Bombay; the cheaper salt of Madras has also been pushing its way towards Orissa; and similarly the measures in progress for cheapening the western salts are believed to be producing a corresponding result by displacing sea-borne salt on the confines of Behar and the North-Western Provinces. The sum realized in all India for salt in 1874-75 was £6,227,300; in 1875-76 we expect £6,286,000. For 1876-77 we have not thought it prudent to take the estimate higher than £6,300,000.

Stamps.—There is here a steady growth of about £25,000 per annum; and we have ventured, though against the practice of previous budgets, to calculate upon the greater part of this increase for next year. The revenue of 1874-75 was £2,758,000—we expect £2,815,000 in 1875-76; and we have taken £2,837,000 for next year. Every effort will be made to render this branch of the revenue, which suffers to some extent from fraud and evasion, more effective. To secure these objects, certain revisions of the existing law are now under consideration.

The *Mints* are estimated to bring a somewhat larger income than in the current year, and the charges are also decreased.

The *Post Office*, which yielded £739,400 in 1874-75, is expected to give £759,000 in the present year, and £778,000 in the next. The increase of charge, as will be seen from the opposite sheet, is £26,000, so that there will be a net decrease of £7,000. There would have been a considerable net improvement but for the intended reduction of English postage from 8 to 6 annas. Considering, however, the value of the concession in reduced English postage to the public, this small loss need not be grudged, and it will indeed probably, in the course of time, be recouped by increased correspondence.

Telegraph.—As before explained, the increase of receipts in the expiring year was caused by the stoppage of the Red Sea line, which stimulated the business of the Indo-European lines. The Red Sea line being now repaired, the increase in 1874-75 of £13,000 must be foregone in the coming year; and it appears, therefore, as a falling off.

Law and Justice.—This head remains unaltered. Such improvement as is possible has been considered under *Stamps*, to which, as already observed, there have been of late from this head considerable transfers.

Marine shews little change.

Interest.—The falling off of £50,000 is caused chiefly by the sale of the Government shares in the Presidency banks.

Receipts in aid of Superannuation and other allowances.—The large falling off under this head of £156,000 has been explained in the remarks for 1875-76. It arises from the retirement from the Bengal Medical Fund of above 100 subscribers, and the exhaustion of the balances at the credit of that fund. But there is a corresponding reduction of £148,000 on the opposite page, so that the net decrease is only £8,000.

Gain by exchange.—There was an improvement in 1875-76 of £49,000. The gain in the coming year is estimated at £27,000 less than that.

Miscellaneous.—There was an increase on the estimate for 1875-76 of £92,000, arising from certain unforeseen credits not likely to recur. The estimate for next year accordingly anticipates that the income will be less than in this year by £13,000.

Army.—The receipts are estimated to fall short of the budget figures of the current year by £29,000, and of the Revised estimate for the same by £133,000. This is partly due to the exclusion of certain transfer adjustments from both sides of the account.

Public Works.—The receipts are estimated at more than those of the expiring year by £12,000.

Irrigation shews an estimated decrease in income of £2,000. The revenue is growing; but it is subject to fluctuations, as the water is more in demand in some seasons than in others; for example, favorable rain has limited the necessity for irrigation in the Punjab during the present year.

State Railways.—Here we have a rapidly growing revenue. In 1874-75 the gross income was £130,986; in 1875-76 we expect £277,000; and in the coming year the receipts are estimated at £415,000, being an advance of £138,000. Putting the charges at £297,000, we expect from this source a net return of no less than £118,000.

REVIEW OF RECEIPTS FROM ALL CIVIL DEPARTMENTS.

We have now gone over all the heads of income, and may review the entire result. We find, then, that the Civil Departments as a whole (omitting the four last heads which belong to the Army and Public Works) promise to yield us in the coming year £48,577,000. The budget estimate of the same departments for the expiring year was £48,057,000; so that the estimated income of the coming year is better than that of the current, by £520,000; or, if we deduct the increase taken on the opium estimate, by £370,000.

SAME RECEIPTS, ADDING ARMY AND PUBLIC WORKS.

Adding now the remaining four heads, we find that the aggregate of all our receipts amounts to £50,480,000, compared with the corresponding entry in the budget for 1875-76 of £49,820,000; that is, it is better by £660,000 than last year's estimate; or, making allowance for the Opium increment, by £510,000.

As most of the improvement is the out-come of a progressive advance in the leading branches of the revenue, it may be safely concluded that the sources of Imperial income are in a sound condition; and indeed, that they never gave better promise of prosperity.

Estimates of Expenditure in 1876-77.

Turning now to the expenditure of the coming year, we shall find that, apart from the question of exchange, the estimates are upon the whole not less satisfactory than those of the revenue.

Interest.—Here the estimate is a growing one, in consequence of the amount borrowed last year, and also of the arrangements proposed for the present year, as will be further explained below. The excess over the Revised estimate of the expiring year is £187,000.

The funded debt at the close of 1875-76 is estimated as follows:—

Rate of interest.	In rupees.	In sterling.	Total sterling (£1 = Rs. 10).	Interest.
			£	£
5½ ...	10,20,06,700	...	10,200,670	561,037
5 ...	1,09,59,000	17,200,000	18,295,900	914,795
4½ ...	16,02,65,700	...	16,026,570	721,196
4 ...	45,31,20,415	32,380,116	77,692,157	3,107,686
3½ ...	6,52,000	...	65,200	2,282
Nil ...	6,09,300	25,167	86,097	...
TOTAL ...	72,76,13,115	49,605,283	122,366,594	5,306,996

Thus the total funded debt of India (irrespective of £96,000,000 the capital of Guaranteed Railways) is £122,366,594, and the average interest 4·33696 per cent. Provision is made in 1876-77 for a full year's interest on the

existing debt and for interest on the sum which may be borrowed in the coming year.

The sum of £2,500,000 was raised in India by loan in 1875 at an average premium of Rs. 2-4-1⅗ per cent.; £110,000 was received from the Maharaja Holkar, and £250,000 is in course of receipt from Maharaja Sindhia; £60,000 was received from the Maharaja of Punnah, and £20,000 from the Raja of Dhenkanal.

The premium received in 1875-76 (credited under debt) was £58,268.

The following statement will prove of interest as shewing the proportion of the registered rupee debt which is held by Europeans and by natives of the country respectively:—

Date.	Held by Europeans.	Held by Natives of India.	Total.	Percentage of the debt held by	
				Europeans.	Natives of India.
	Rs.	Rs.	Rs.		
31st December 1869 ...	50,37,75,198	14,62,54,144	65,00,29,342	77·50	22·50
Ditto 1870 ...	52,53,45,623	13,34,25,640	65,87,71,263	79·75	20·25
Ditto 1871 ...	49,43,57,593	16,25,39,502	65,68,97,095	75·26	24·74
Ditto 1872 ...	50,77,72,763	14,96,44,056	65,74,16,819	77·24	22·76
Ditto 1873 ...	48,74,65,593	16,50,45,672	65,25,11,265	74·70	25·29
Ditto 1874 ...	50,69,90,153	17,10,85,447	67,80,75,600	74·77	25·23
Ditto 1875 ...	54,20,44,487	17,44,12,983	71,64,57,470	75·66	24·34

Interest on Service Funds, &c., remains steady.

Refunds.—£300,000 is found to be the sum that must ordinarily be provided under this head, which cannot be closely estimated in detail. It is £18,000 in excess of the Revised estimate for the current year.

Land Revenue.—A small decrease of £29,000, chiefly in consequence of reduced Settlement establishments.

Forest also shews a slight reduction.

Excise, Customs, Salt, and *Stamps,* shew variations so small as to require no special remark.

Mint.—A decrease of £13,000 already touched upon; as also the increase of £26,000 in *Post Office* and decrease of £5,000 in *Telegraphs.*

Administration affords the considerable decrease of £107,000 in consequence of a smaller demand for stationery, and also of the transfer of the Indian Museum in London to "Minor Departments."

Minor Departments.—This head, notwithstanding the above transfer, gives a decrease of £22,000 from retrenchments in Surveys and other savings.

Law and Justice.—The expenditure under this head, which tends constantly to grow, has increased in the coming year's estimate by £32,000. This is due to an improvement in the position of the Punjab Judicial Establishments, and also to measures for raising the salaries of ministerial establishments in the Bombay presidency and Scinde.

Marine gives a saving over the Regular estimate for 1875-76 of £80,000, owing to the extra charges for that year already explained not having been repeated in the present.

Ecclesiastical and *Medical* call for no remarks.

Allowances and Assignments are less by £9,000, the charges for the Ex-King of Oudh's family before explained, not recurring in 1876-77.

Superannuation allowances.—The decreased charge has been explained under the corresponding head on the opposite page.

Loss by exchange.—Reserved for further explanation.

Allotments for Provincial Services.—The extra grants of 1875-76 will not be repeated in the coming year, thus giving a retrenchment of £84,000.

Famine relief.—There will be no charge on this account next year.

The Army.—We have here a large increase on the budget estimate for 1875-76 of £296,000, and on the Regular estimate of no less than £654,000. It occurs almost entirely on account of Home charges for European troops and supplies for the same. But it is to a considerable extent nominal,—payments expected to occur in 1875-76 having been postponed to 1876-77.

Public Works.—The Government have been obliged, with much regret, to reduce the grant by £122,000 from the amount assigned in 1875-76 for Military works and other buildings; hence the improvement under this head.

State Railways.—As the system rapidly extends, and new lengths are being opened for traffic, increased establishments and working charges become necessary; and these are represented by the enhancement in charge of £76,000. But, as we have seen, the expenditure will be amply recouped by a growing revenue.

Guaranteed Interest less net traffic receipts.—The net charge for interest will be very much the same as in 1874-75, although the receipts were in that year swelled by increased traffic in grain caused by the famine. Compared with 1875-76, however, there is an increase of net charge for interest, amounting to £258,000, which arises from the transfer in 1875-76 of a considerable sum from Revenue to Capital, as before explained. The following are the estimated net traffic-receipts, compared with those of the two previous years; and when we take into account the special receipts of the Railways, in 1874-75 owing to the Famine, and in 1875-76 in consequence of the visit of His Royal Highness the Prince of Wales, the prospect may be held encouraging.

	£
1874-75 actual accounts	3,449,322
1875-76, Regular estimate (less £330,000)	3,355,000
1876-67 Budget estimate	3,470,000

REVIEW OF THE TOTAL EXPENDITURE IN THE CIVIL DEPARTMENTS.

Reviewing, as before, the expenditure for the purely Civil Departments, we shall first compare the charges, omitting the two heads of Famine and Loss by exchange, with those of former years. In 1874-75 the expenditure was £27,752,000. The budget estimate for 1875-76 was £27,733,000; and the Regular estimate is £28,278,000. The budget estimate for the coming year is £27,843,000; so that we have an estimated decrease in the charges of £435,000.

THE SAME, ADDING ARMY AND PUBLIC WORKS.

If to this account we add the remaining heads for Army and Public Works, we find the results still favorable. The budget estimate for the current year on all these heads was £47,924,000; and the Regular is £47,663,000. The estimate for 1876-77 is £48,004,000, being little more than the amount in the current year, notwithstanding the largely increased charge for the present budget for the Army. It is clear, therefore, that our expenditure is well in hand; and that, upon the whole, credit may be claimed for the budget estimates having been generally prepared and checked with great care and a due advertence to economy.

EFFECT ON BUDGET OF FALL IN EXCHANGE.

Let us now consider what the surplus would have been, taking the "Loss by exchange" at no greater amount than the estimates of former years. If we had had the same charge under this head as in 1874-75, (*viz.*, a remittance of £10,841,614 at an exchange of 1*s.* 10·22*d.* per rupee), our present budget would have shewn a surplus of £1,578,122; and if we could even have taken the same charge as in the current year, when £1,390,000 were estimated for "Loss by exchange," (at the rate of 1*s.* 9·87*d.* per rupee), we should still have had a surplus of £1,086,000. Nothing can more fully establish the sound and satisfactory condition of the finances, apart from the remittances to England, than do these figures.

The change which has since come over the money market, however, has left us no option but to assume a rate so greatly below that which was adopted last year that it would entirely swallow up the surplus just mentioned, and more than that surplus, if taken upon a remittance of Fifteen millions which

is the anticipated requirement for the coming year of the Indian Government in England. But if any part of this sum were borrowed in England, the cost of providing for the charge would be proportionately diminished. It becomes necessary, then, at this stage of the Financial Statement, to anticipate the question of Ways and Means in general, and of a Loan in particular, with the view of explaining the conclusions which, after due communication with Her Majesty's Government, have been adopted in respect of the loan transactions of the year.

POLICY OF BORROWING FOR REPRODUCTIVE WORKS HOW AFFECTED.

The sudden depreciation of silver, and the consequent enhancement of charge to the Government of India in laying down yearly the sum required in England of about Fifteen millions sterling, without doubt cast a grave shadow on the future. In truth, it may be said that the danger, from whatever point of view considered, is the gravest which has yet threatened the finances of India. War, famine, and drought have often inflicted losses on the Exchequer far greater than the charge which threatens us in the present year. But such calamities pass away; the loss is known and limited; and when it has been provided for, the finances again stand on sure and stable ground. This is not the case with the present cause of anxiety. Its immediate effects are serious enough, as has been already shewn. But that which adds significance to it is that the end cannot be seen; the future is involved in uncertainty. It may be that in the course of time the difficulty will be lessened or removed; it may be that the depreciation will continue, and involve the Government of India in embarrassments more serious even than those it now contemplates. It would at the present moment be unwise to speculate on either of these alternatives.

Accepting, then, the situation as grave and anxious, and the future as uncertain, the Government of India feels bound to review its position in respect of the considerable expenditure hitherto made year by year on Reproductive works from funds raised, as found necessary, by public loan. With a sudden loss in the year's estimate of a Million sterling, and with no assurance that the loss may not, for a time at least, assume still larger dimensions, the Government has felt that it is not now justified in adding to our future obligations by incurring any avoidable debt, even for the construction of works admitted to be beneficial to the country and in themselves remunerative. The Government of India would therefore, if it had been practicable, have altogether refrained, under the present aspect of affairs, from borrowing money for this purpose.

But such a course could not have been taken in the present year without great loss. The public works under construction are well in hand for gradual completion and eventual reduction of expenditure. But it will be evident that a sudden and extensive check would be both highly wasteful and on its merits inexpedient. Material has been provided; and it would be a spendthrift policy leaving it unused, if not even leaving it to deteriorate. Establishments have been entertained on a large scale for the rapid completion of the works; and these establishments cannot now be thrown adrift, or even at once materially diminished, without an expenditure in compensation that would swallow up the saving. It is also of much importance at the earliest possible period to complete the projects which are in course of construction, in order that the capital already expended on them may speedily bring in a return of revenue. This consideration applies both to Canals and Railways, but especially to the latter. It has been shewn in a former part of this Statement how productive the State railways are every year becoming; it would be a mistaken policy, therefore, not to press to completion those which are now in hand. But the Government of India, though thus unable immediately to stop the expenditure from borrowed funds, are resolved at once to contract the sphere of operations so far as it can be done with a due advertence to the considerations just advanced. In the programme of work for the coming year, an expenditure was contemplated of Four millions sterling. The estimate has been reduced (mainly by retrenchments from the irrigation budget) to £3,759,000. And so long as the present adverse prospects continue, this class of expenditure will be gradually

diminished, so as in the end, if need be, entirely to obviate borrowing for the purpose. Speaking broadly, the works in hand, both for Irrigation and State Railways, are estimated at a further cost of Fourteen millions, or deducting the sum to be spent in 1876-77, Ten millions and a quarter.* This is the limit of our present liability.

The same considerations must weigh with the Government of India in contracting as far as possible the loans which it has heretofore freely made to municipalities and native states. So long as the cash balances were overflowing, this was one of the most useful ways in which they could be employed. But a strain will now be put upon our reserves, and consequently the resources hitherto used for the purpose will no longer be available, except in cases of unusual urgency.

LOAN OF £3,000,000. It has been shewn that the Extraordinary expenditure for Reproductive works is estimated at £3,759,000. In order to provide this, and still to leave a sufficient closing balance, it is necessary that a sum of £3,000,000 be raised on loan. With this assistance, it is calculated that we may end the year with an aggregate cash balance of £15,228,540; of which £13,552,614 would be in the Treasuries in India, and £1,675,926 in the Home Treasury.

Of the loan of Three millions, it is expected that £360,000 will be received from the Maharajas Scindia and Holkar in aid of the Railways under construction in their States; and this will leave £2,640,000 to be borrowed by Her Majesty's Secretary of State in England. It would obviously, with the present uncertainty hanging over silver, and the disturbed condition of the money-market in India, have been contrary to good policy to raise the loan in India.

To the extent, then, of £2,640,000, the Home Treasury will be provided by loan in England, and the Secretary of State's drawings upon India will be by so much diminished. Instead of being Fifteen millions, with the additional sum of a Million and a half to make up for short drawings in the current year, they will be reduced to £13,660,000; and on this sum we estimate the loss by exchange at £2,332,000. The estimate has been framed on the best assumptions which it is in the power of the Government at the present moment to make; but in view of the instability of the Exchange-market and the violent oscillations that have recently occurred, it is impossible to foretell results, or to say that the loss may not be much greater. The effect of borrowing, as proposed, in England will be to diminish in our accounts the "Loss by exchange" by £450,000.

WHOLE EXPENDITURE, 1876-77. We are now in a position to estimate the entire expenditure for the coming year, including the sum which we have taken for Loss by exchange, and we find the grand total of ordinary charge to be £50,336,000. The budget estimate for the expiring year was £49,314,000; the excess of £1,022,000, as has been explained, is almost wholly attributable to Loss by exchange.

It has been seen that we look for an income of £50,480,000; consequently the budget shews the surplus of £144,000.

The position, then, of the Government of India is this: Owing to our great remittances to England, the future of our finance, and the success even of the present budget, will essentially depend upon the course of exchange, seeing that at the point to which the rates have become depressed, the variation of even a farthing involves a gain or loss of nearly Two

* In the Irrigation Department the works in hand are estimated at a total cost of £14,336,000. Of this it is estimated that £8,639,000 will have been spent to the close of 1875-76; leaving the Government liable for the completion of these works in a sum of £6,697,000.

Similarly, the total outlay for State Railways now in hand is estimated at £18,100,000: of which £10,780,000 will have been spent to the close of this year; leaving £7,320,000 to be met for their completion.

Or combining both classes of works, the liability of Government would be discharged for their completion by an estimated expenditure of £14,017,000. And as the canal series will not be completed till 1883, this expenditure will be spread over several years.

	£
Nagpore to Chutteesgurh	840,000
Neemuch and Nusseerabad	825,000
Western Rajpootana	1,850,000
	£3,515,000

Three other Railways are of pressing importance, the estimated cost of which exceeds exceeds Three millions and a half;* but if the present financial depression should continue, it may be necessary to postpone their construction.

hundred thousand pounds. But the future is enveloped in obscurity. While things remain in the uncertainty which now prevails, it has been deemed sufficient to frame the present budget so that it shall provide equilibrium between expenditure and income; and for the rest, until the problem of the eventual value of silver shall further unfold itself, to economize expenditure, develope every improvable source of revenue, and avoid fresh liabilities. It is at the least satisfactory to know that this misfortune, coming upon us as it has so suddenly and from so unexpected a quarter, finds all the springs of our revenue sound and prosperous;—a conclusion fully established by the present budget.

CASH BALANCES.

Cash balances.—What has gone before may supersede the necessity for any detailed explanation of the treasury balances. The closing balance of 1874-75 was taken in the Revised estimate at £18,386,198; it turned out actually to be £17,974,140, the balance in India having been less than was expected. For the current year it was estimated that we should end with the balance of £17,096,598; we expect now that the balance will be only £16,990,840. The combined balance would have been, as a result of the increased surplus, considerably more than this, but for the stoppage of drawings by the Secretary of State during the two last months of the year, and the consequent depletion of the Home Treasury to a greater extent than the Indian Treasuries have benefited by the surplus left in them.

The balance at the close of 1876-77 is now estimated at £15,228,540, *viz.*, £13,552,614 in the Indian and £1,675,926 in the Home Treasury. These are lower reserves than have heretofore been deemed necessary. But in the present state of things, the Government of India would rather undergo some inconvenience from the inadequacy of its working balance, than borrow more than it can possibly avoid.

LOANS.

Loans to Native States, Municipalities, &c.—The following statement of these loans shews that in the five years ending with 1875-76 the net amount advanced has exceeded £2,200,000.

	£
1871-72	417,211
1872-73	259,867
1873-74	457,164
1874-75	611,627
1875-66 (Regular Estimate)	461,500
1876-77 (Budget Estimate)	448,000

THE ARMY.

The Army.—The following comparison of the expenditure for the Army during the previous eight years with the estimates of 1875-76 and 1876-77 will be read with interest:—

	England. Net expenditure.	India. Net expenditure.	Total net expenditure.
	£	£	£
1867-68, Actuals	3,483,000	11,861,000	15,344,000
1868-69 „	3,248,000	11,888,000	15,136,000
1869-70 „	3,479,000	11,768,000	15,247,000
1870-71 „	3,507,000	11,605,000	15,112,000
1871-72 „	3,587,000	11,147,000	14,734,000
1872-73 „	3,503,000	11,094,000	14,597,000
1873-74 „	3,327,000	10,890,000	14,217,000
1874-75 „	3,592,000	10,794,000	14,386,000
1875-76, Regular Estimate	3,449,000	10,865,000	14,314,000
1876-77, Budget Estimate	4,121,000	10,980,000	15,101,000

On this statement, Mr. Kellner, Accountant General, Military Department, makes the following remarks: "The expenditure of the first four years ended in 1870-71 included a charge of £90,000 for the Hazara Campaign. The expenditure of the next four years included the following extraordinary charges:—

	£
The Looshai and Duffla Expeditions	259,000
Camps of Exercise	90,000
Capitalized value of annuities to retired officers ...	195,000
TOTAL	544,000

"If these extraordinary charges be deducted from the net expenditure of the two periods, the remainder will give an average normal expenditure of £15,187,632 per annum for the first four years, and of £14,347,935 for the four years ended in 1874-75, being a reduction of £839,697 per annum.

"An examination of the returns of the effective strength of British and Indian troops during the same period brings out the following result:—

	British Troops.	Indian Troops.	Total.
Average effective strength from 1867-68 to 1870-71	56,989	122,270	179,259
Average effective strength from 1871-72 to 1874-75	59,993	119,379	179,372

"There were thus 3,000 British troops more, and a like number of Indian troops less, in the later period, the excess being explained by the fact that the effective strength of British troops in the country was considerably below the complement between the years 1867-68 and 1870-71, and the deficiency in the other case by the absorption of supernumerary Native soldiers entertained for the Abyssinian Expedition, and by the recent suspension of recruiting operations in the Madras Native Cavalry. If the average annual expenditure be divided by the average effective strength of British and Indian troops during the two periods (assuming that one British soldier is financially equal to 2½ Indian soldiers), the rate of expenditure for each man will be found to be £143·4 for the first four years, and £133·1 for the four years ended in 1874-75. And this reduction of expense has been effected simultaneously with considerable improvements in the pay, instruction, and equipment of the soldier."

TRADE STATISTICS, 1874-75.

Trade.—The foreign trade of India on which the prosperity of the Revenue, no less than of the country at large, must so greatly depend, continues to exhibit a steady and satisfactory advance. The imports (excluding stores and treasure on behalf of Government) increased from £37,437,000 in 1873-74, to £42,786,000 in 1874-75; and the exports from £56,840,000 to £57,904,000. The total trade thus rose from £94,277,000 to £100,690,000. The aggregate trade of the four years preceding 1873-74 stood at an average of £98,640,000, the average imports being £40,760,000, and the average exports £57,880,000, indicating a slow but steady increase in both the import and export trade.

Of the imports, the main articles of increase in 1874-75, as compared with 1873-74, were the following: *Cotton goods* in Bengal shewed an advance of above Two millions; *Metals* an increase of £384,000, and *Liquors* of £93,000. In Bombay, *Metals* shew an advance of £380,000, and *Machinery* of £166,000.

In regard to exports; in Bengal, *Raw Hides* and *Skins* gave an increase of £274,000; *Tea* of £193,000, and *Oil seeds* of £543,000. Bombay shews an advance in *Raw Cotton* of £1,951,000, and Madras a similar increase of £331,000; balanced, however, by a falling off in Bengal to the extent of £253,000. In *Seeds*, Bombay also gives an increase of £195,000. In Bengal there was a falling off in *Indigo* to the value of £646,400, and £190,000 in *Raw Jute*. In Madras also *Indigo* fell off by £309,000.

The statistics of *Tea* for the last fourteen years are highly encouraging. The average yearly quantity and value of the stock exported were as follows:—

	lbs.	£
1861-62 to 1863-64	2,215,758	176,231
1864-65 to 1868-69	6,378,869	506,843
1869-70 to 1873-74	16,057,545	1,336,800
1874-75	21,137,037	1,937,429

FIRST TEN MONTHS OF 1875-76 COMPARED WITH PAST YEARS.

So much for the course of trade to the close of March 1875. The improved arrangements for the compilation of statistics in the Department of Commerce enable us to give the continued progress of commerce to the end of January last, that is, for the first ten months of the official year 1875-76. The following comparison is taken from a memorandum prepared for the purpose in the Statistical Branch of that Department.

In the first ten months of 1873-74, the value of *imports* was £28,600,000; during the same period of 1874-75 (treasure being about three and a half millions in excess of the previous year), they were £34,800,000; and in the first ten months of 1875-76, £33,800,000. The *exports* for the same months are valued for 1873-74 at £44,700,000; for 1874-75 at £45,700,000; and for 1875-76 at £47,900,000. Total for 1873-74 £73,300,000; for 1874-75 £80,500,000; for 1875-76 £81,700,000. The advance is thus very marked and well sustained.

Among the items of increasing imports the most striking are these: *Machinery*, chiefly in Bombay, rose from £750,000 in 1873-74, to £1,200,000. *Metals* advanced similarly from £1,300,000 to £2,500,000; there is still, however, great room for improvement under this head; for in the two years 1868-69 and 1869-70, the average value annually imported was not less than Three millions and a half. The recent tariff arrangements will no doubt aid this trade.

Turning to exports, we find that *Raw Cotton* has maintained its position well, rising from 3,440,000 cwts. in 1873-74, to 4,300,000 cwts. in 1875-76. There is also an increase in the export of *Cotton Twist* and *Yarn*, which advanced from £105,000 to £197,000.

Wheat shews a great improvement; having been 998,000 cwts. in 1874-75, it rose in 1875-76 to 2,156,000 cwts.; that is to say, the export in the first ten months exceeded considerably the export for the whole year 1873-74, which is the highest on record.

A falling off in *Raw Hides* and *Skins* is compensated by a rise in the export of *Prepared Hides* and *Skins* from a value of £541,000 in 1874-75 to £988,000; —to which latter result the new tariff, by entirely freeing this article, no doubt materially contributed.

Raw Jute fell off from an export of 5,222,000 cwts. in 1873-74, to 4,159,000 cwts. in 1875-76. But the loss is partly met by the growth in the export of *Manufactured Jute*, chiefly in the shape of bags for Australia, which advanced from a value of £189,000 in 1873-74 and £182,000 in 1874-75, to £369,000.

Vegetable Oils increased from £197,000 in 1873-74, to £311,000.

But the most marked prosperity has been shewn in the export of *Seeds*, which increased from 4,632,000 cwts. in the first ten months of 1874-75, to above Eight and a half millions cwts. in the same period of 1875-76;—a success for which to a very great extent the late tariff measure by altogether freeing the trade may justly receive the credit.

Raw Silk declined from £673,000 in 1874-75, to £331,000.

Tea continues its steady advance, having in these ten months improved from a value of £1,591,000 in 1874-75, to £1,900,000 in 1875-76, the quantity being 17,230,000 lbs and 21,250,000 lbs in the two years respectively. This staple is rapidly establishing its character with the English public; while in 1869 the proportion of Indian tea to Chinese in the English market was but one-eleventh, the Statistical Department now estimates the proportion at one-sixth.

GUARANTEED RAILWAYS.

Guaranteed Railways—During the year a section of the Southern India line was opened, to which it is chiefly due that the open length of Railway increased from 5,592 miles at the close of 1874, to 5,693 at the close of 1875. The bridge at Cawnpore was also completed, thus establishing through communication between Lucknow and Cawnpore. At the end of this year 334 miles were under construction, of which 117 have since been opened.

The train mileage was less in 1875 than in the preceding year, in consequence of the cessation of grain traffic for the famine.

1874	...	17,651,979
1875	...	16,625,372

But passengers increased from 22,783,258, paying £2,127,320, to 24,445,400, paying £2,335,135, an improvement attributable in great measure to the visit of His Royal Highness the Prince of Wales. The goods traffic, for the cause already specified, fell off from 5,220,740 tons to 4,404,848; and the receipts from £5,143,064 to £4,488,473. The aggregate receipts amounted to £7,061,980, against £7,669,815 in the previous year.

The total capital expended on Guaranteed Railways and the Madras Irrigation and Canal Company, is by the latest account £94,131,484. The gross earnings for 1875-76 were estimated at £7,450,500. They are now expected to reach £8,175,300. This amount has been swollen by the large addition of £330,000, a sum spent formerly on the repair of flood damages, and which has now by transfer been debited to Capital and credited to Revenue. The working expenses for 1875-76 were estimated at £4,107,000; they will probably be £4,291,000. The net traffic income to be appropriated to the guaranteed interest (after deducting £202,583 being moiety of profits payable to shareholders) was estimated at £3,141,000; it will now (after deducting £208,385 as moiety) be £3,685,090. The gross interest payable under guarantee is expected to be £4,687,000; and, as already explained, the net charge (after deducting traffic receipts) estimated at £1,583,000, will probably be not more than £1,002,000.

STATE RAILWAYS.

State Railways.—The length of State Railways open for traffic at the close of 1875 was 616 miles, against 446 at the close of 1874. The additions consisted of 88 miles Rajpootana line; 20 miles of the Holkar line; and 62 of the temporary Metre Railway laid upon the Punjab Northern line. The Rajpootana line has also been brought into through communication with the East Indian Railway by the completion of the Agra bridge. At the close of 1875 the length under construction was 1,184 miles, and that under survey but not commenced, 559 miles.

The total extraordinary expenditure to the close of 1874-75 was £8,522,376; the estimated expenditure in 1875-76, £3,021,550; and the estimate for coming year, £2,850,000, which will raise the entire expenditure, as estimated at the close of 1876-77, to £14,393,926. The marginal statement will shew how rapidly the traffic in the State Railways is increasing, and what excellent prospects exist of a good return to the capital expended. Besides all this, we have the vast advantage to the country in the development of its resources and the social improvement anticipated from the increased facilities given to travelling.

Year.	Mean milage open.	Train mileage run.	Passengers carried.	Tons of goods.	Receipts.		
					Coaching.	Goods.	Total.
					£	£	£
1874 ...	280	336,473	1,306,391	186,706	38,621	46,622	92,731
1875 ...	579	803,614	2,076,270	313,293	94,201	145,938	251,924

IRRIGATION CANALS.

Canals.—The following brief account of the state and prospects of Irrigation Works throughout India will prove of interest in connection with the expenditure and returns on this head.

	£
North-Western Provinces ...	4,535,690
Punjab ...	2,977,494
Bengal ...	3,651,322
Madras ...	1,773,755
Bombay ...	1,690,967
Burmah ...	227,487
Rajpootana ...	112,698
Oudh	44,125
Central Provinces ...	84,258
	£15,047,797

The aggregate capital outlay to the end of 1874-75 on canals for all India may be calculated, as in the margin, at Fifteen millions sterling; but this account is complete only in the Bengal Presidency and Burmah, the accounts of the expenditure in the Madras and Bombay Presidencies under the heads of Capital and Revenue never having been as yet completely adjusted.

The gross direct revenue from irrigation for 1875-76 is estimated at £529,000; but this return is imperfect, because excepting in the North-Western Provinces, the Punjab, and Bengal, the charge for water is are generally included in the Land Revenue in almost all the provinces, and in these three provinces the direct revenue amounts to £507,500, that is, to nearly the whole revenue just stated; so that it is in these three provinces alone that any trustworthy computation can be made as to the degree in which the State is receiving a direct return sufficient to compensate for the capital sunk. Steps are, however, being taken to secure a fair estimate of the proportion of the receipts in other prov-

inces due to water but now credited under Land Revenue; and when these shall have been completed, it will then be possible to give a review of the returns yielded by the capital for all India.

The capital expended on the chief works of irrigation in the three provinces just named, is detailed below, together with the income and working expenses.

		Capital outlay to end of 1874-75.	Revenue of 1875-76. Direct.	Indirect.	Working expenses.
		£	£	£	£
N. W. Provinces	Ganges Canal ...	2,767,721	217,010	56,100	104,892
	Eastern Jumna ...	219,469	61,530	22,100	21,643
	Agra ...	644,864	4,730	...	9,133
Punjab	Western Jumna ...	381,151	105,000	37,200	40,000
	Baree Doab ...	1,412,780	71,185	20,000	35,000
Bengal	Orissa Canal ...	1,551,950	4,300	...	21,532
	Midnapore ...	613,040	15,000	...	17,411
	Tidal ...	179,819	4,400	...	3,008
	Soane ...	1,262,174	6,000	...	11,893

The gross expected direct revenue amounts to £489,155, and the working expenses to £264,512; leaving a net profit of £224,623, or 2·48 per cent. on the capital. Adding the indirect revenue (that is, the improvement in the land revenue attributable to canal irrigation) the total net profit will be £360,043 thus raising the return to 4 per cent. on the outlay. Two of the canals, the Agra and the Soane, yield revenue this year for the first time; but the inclusion of their capital in the above account, while irrigation from them is as yet only partially developed, has reduced the percentage of profit on the canals in use and yielding revenue, which was shewn in last Financial Statement at about 5 per cent. The prospect of rapid development of the revenue from these two canals is good. On the Agra Canal the cultivators are eager for water, although the rates demanded are higher than on any other canal in the North-Western Provinces. On the Soane Canal, in consequence of apprehended drought towards the end of last summer, water was allowed to be taken before the channels for its distribution had been fully constructed. Over a large tract of country the harvest was no doubt thus protected, but the completion of the canal and its distributaries was thereby delayed. It is calculated that the returns on this canal will eventually yield above 8 per cent. on the outlay.

Serious damage was sustained by the Baree Doab Canal in consequence of the unprecedented floods of last September; but the greater portion of the injuries will be repaired before the ensuing monsoon sets in.

The area irrigated in the three provinces by the canals above enumerated during the current year is as follows:—

	Acres.
North-Western Provinces	979,735
Punjab	466,679
Bengal	147,802
Total ...	1,594,216 acres.

This statement shews a very great decrease in the Punjab, arising from the heavy and wide-spread fall during last Rains, and the seasonable showers in the winter months, which enabled the cultivators to dispense to a great extent with artificial irrigation.

The expenditure from Extraordinary funds during the year was as follows:—

	£
North-Western Provinces	350,000
Punjab	283,800
Bengal	418,715
Madras	67,745
Bombay	46,060

In the North-Western Provinces the chief expenditure was on the Lower Ganges Canal, which is making fair progress. The foundations of the great weir at Nurôra will, it is hoped, be completed before the Rains, and the excava-

tion and masonry works are in good train. The remodelling of the Upper Ganges Canal is proceeding steadily; and the works connected with the Agra Canal approach completion.

In the Punjab the chief expenditure (over £260,000) was on the Sirhind Canal, including £80,000 contributed by the States of Puttiala, Jheend, and Nabha, which are sharers in the undertaking. The remainder was chiefly spent on the Baree Doab and Western Jumna Canals, for the latter of which a masonry dam, thrown across the Jumna, successfully withstood the great floods of the autumn.

In Bengal £277,800 were spent on the Soane Canal and the remainder on the Orissa and Midnapore projects.

In Madras the greater part of the money was expended on works connected with the Godavery and Kistna delta systems; and in Bombay on the Moota-moolla and Scinde Canals. These latter advance slowly owing to the difficulty of obtaining labor;—which is the more to be regretted as without canals the greater part of the country would be desert.

PAPER CURRENCY. *Paper Currency.*—From January to August 1875 the Paper Currency varied but little from Eleven millions. In October it rose above Twelve millions, as it did in the corresponding month of 1873. Since October the amount has continued between Eleven and Twelve millions. There has, however, been considerable activity in the use of the paper as a means of remittance; and this chiefly, as is indicated by the increase of the coin reserve in Upper India, from the interior to the presidency towns.

MONEY ORDERS. *Money Orders.*—Arrangements have been put in operation for the interchange of money orders with several European countries, but as yet little advantage has been taken of the accommodation thus offered.

SAVINGS BANKS. *Savings Banks.*—The number of depositors in Savings Banks has increased in the course of the year 1874-75 by about 6,000. It now stands at about 74,000, and the aggregate of deposits at about £1,900,000.

SUMMARY. **Summary.**—To sum up the most important information and conclusions set forth in this Financial Statement.

For 1874-75 the Regular estimate shewed an expected surplus of £1,889,000; the actual account shews a surplus of £2,556,990.

For 1875-76 we last year estimated for a surplus of £506,000. We now expect the surplus under the Regular estimate to be £1,903,000.

The above figures are exclusive of expenditure on the Famine and on Reproductive works.

In the budget of 1876-77 we estimate for an income of £50,480,000; and for an expenditure of £50,336,000; thus providing for a surplus of £144,000.

The expenditure on Reproductive works has been reduced to £3,759,000.

The budget is based on the expectation that £3,000,000 will be borrowed during the year, and of this £2,640,000 by Her Majesty's Secretary of State in England.

Under this arrangement it is estimated that the cash balance in India will on 31st March 1877 stand at £13,552,614.

STATEMENTS.

134382

REVENUE AND EXPENDITURE OF THE GOVERNMEN

Estimate

REVENUE.	Accounts, 1874-75.	Budget Estimates, 1875-76.	Regular Estimates, 1875-76.	Increase.	Decrease.	Budget Estimates, 1876-77.	Budget Estimates, 1876-77, compared with Regular Estimates, 1875-76.
	£	£	£	£	£	£	£
CIVIL.							
I.—Land Revenue ...	21,296,793	21,379,000	21,372,000	...	7,000	21,381,000	+ 9,000
II.—Tributes and Contributions from Native States	724,972	700,000	723,000	23,000	...	700,000	— 23,000
III.—Forest	583,281	572,000	624,000	52,000	...	600,000	— 24,000
IV.—Excise on Spirit and Drugs	2,346,143	2,370,000	2,488,000	118,000	...	2,525,000	+ 37,000
V.—Assessed Taxes ...	2,747	...	...	...	...	...	...
VI.—Customs	2,678,479	2,670,000	2,705,000	35,000	...	2,620,000	— 85,000
VII.—Salt	6,227,301	6,208,000	6,286,000	78,000	...	6,300,000	+ 14,000
VIII.—Opium	8,556,629	8,050,000	8,449,000	399,000	...	8,200,000	— 249,000
IX.—Stamps	2,758,042	2,784,000	2,815,000	31,000	...	2,837,000	+ 22,000
X.—Mint	159,021	72,000	106,000	34,000	...	124,000	+ 18,000
XI.—Post Office ...	739,400	735,000	759,000	24,000	...	778,000	+ 19,000
XII.—Telegraph ...	286,479	290,000	303,000	13,000	...	290,000	— 13,000
XIII.—Law and Justice ...	321,798	319,000	316,000	...	3,000	316,000	...
XIV.—Marine	298,525	197,000	203,000	6,000	...	198,000	— 5,000
XV.—Interest	543,319	572,000	558,000	...	14,000	508,000	— 50,000
XVI.—Receipts in aid of Superannuation, Retired and Compassionate Allowances	698,641	634,000	750,000	116,000	...	594,000	— 156,000
XVII.—Gain by exchange on Transactions with London	395,335	325,000	374,000	49,000	...	347,000	— 27,000
XVIII.—Miscellaneous ...	278,144	180,000	272,000	92,000	...	259,000	— 13,000
Total ...	48,895,049	48,057,000	49,103,000	1,046,000	...	48,577,000	— 526,000
Army	988,845	907,000	1,011,000	104,000	...	878,000	— 133,000
Public Works, Ordinary ...	78,549	94,000	71,000	...	23,000	83,000	+ 12,000
Irrigation	476,748	532,000	529,000	...	3,000	527,000	— 2,000
State Railways	130,986	230,000	277,000	47,000	...	415,000	+ 138,000
GRAND TOTAL ...	50,570,177	49,820,000	50,991,000	1,171,000	...	50,480,000	— 511,000
Deficit, including Public Works, Extraordinary, but excluding Famine Charges	1,692,576	...	2,240,000	2,240,000	...	3,615,000	+ 1,375,000
Deficit, including Public Works, Extraordinary, and Famine Charges	3,930,436	3,794,000	2,896,000	...	898,000	3,615,000	+ 719,000

Fort William;
Financial Department,
The 31st March 1876.

Edward Gay,
Deputy Comptroller General.

OF INDIA IN INDIA AND IN ENGLAND.

1876-77.

EXPENDITURE.	Accounts, 1874-75.	Budget Estimates, 1875-76.	Regular Estimates, 1875-76.	Increase.	Decrease.	Budget Estimates, 1876-77.	Budget Estimates, 1876-77, compared with Regular Estimates, 1875-76.
CIVIL.	£	£	£	£	£	£	£
1.—Interest on Funded and Unfunded Debt ...	5,032,486	5,208,000	5,173,000	...	35,000	5,360,000	+187,000
2.—Interest on Service Funds and other Accounts ...	379,568	376,000	391,000	15,000	...	390,000	—1,000
3.—Refunds and Drawbacks ...	319,916	300,000	282,000	...	18,000	300,000	+18,000
4.—Land Revenue ...	2,457,808	2,480,000	2,502,000	22,000	...	2,473,000	—29,000
5.—Forest ...	423,267	405,000	424,000	19,000	...	417,000	—7,000
6.—Excise on Spirit and Drugs	87,351	86,000	85,000	...	1,000	87,000	+2,000
7.—Assessed Taxes ...	1	*Nil*	*Nil*	...	...	*Nil*	...
8.—Customs ...	184,172	179,000	187,000	8,000	...	189,000	+2,000
9.—Salt ...	462,168	498,000	514,000	16,000	...	526,000	+12,000
10.—Opium ...	2,341,546	2,300,000	2,216,000	...	84,000	2,200,000	—16,000
11.—Stamps ...	125,451	123,000	106,000	...	17,000	103,000	—3,000
12.—Mint ...	131,093	90,000	107,000	17,000	...	94,000	—13,000
13.—Post Office ...	807,596	816,000	817,000	1,000	...	843,000	+26,000
14.—Telegraph ...	432,029	484,000	493,000	9,000	...	488,000	—5,000
15.—Administration ...	1,605,469	1,615,000	1,702,000	87,000	...	1,595,000	—107,000
16.—Minor Departments ...	320,541	299,000	309,000	10,000	...	287,000	—22,000
17.—Law and Justice ...	2,298,180	2,340,000	2,335,000	...	5,000	2,367,000	+32,000
18.—Marine ...	590,046	589,000	656,000	67,000	...	576,000	—80,000
19.—Ecclesiastical ...	161,724	161,000	160,000	...	1,000	162,000	+2,000
20.—Medical ...	181,579	180,000	182,000	2,000	...	184,000	+2,000
21.—Political Agencies ...	404,223	336,000	432,000	96,000	...	349,000	—83,000
22.—Allowances and Assignments under Treaties and Engagements ...	1,738,368	1,695,000	1,705,000	10,000	...	1,696,000	—9,000
23.—Civil Furlough and Absentee Allowances ...	216,704	221,000	223,000	2,000	...	223,000	...
24.—Superannuation, Retired and Compassionate Allowances ...	1,779,956	1,816,000	1,944,000	128,000	...	1,796,000	—148,000
25.—Loss by Exchange on Transactions with London ...	897,878	1,390,000	1,425,000	35,000	...	2,332,000	+907,000
26.—Miscellaneous ...	122,037	77,000	189,000	112,000	...	78,000	—111,000
27.—Allotments for Provincial Services ...	5,148,744	5,059,000	5,144,000	85,000	...	5,060,000	—84,000
Famine Relief ...	2,237,860	...	656,000	656,000	...	...	—656,000
TOTAL CIVIL ...	30,887,761	29,123,000	30,359,000	1,236,000	...	30,175,000	—184,000
Army ...	15,375,192	15,683,000	15,325,000	...	358,000	15,979,000	+654,000
Public Works, Ordinary ...	2,504,255	2,654,000	2,742,000	88,000	...	2,532,000	—210,000
State Railways ...	183,883	180,000	221,000	41,000	...	297,000	+76,000
Land and Supervision (Guaranteed Railways) ...	55,394	91,000	95,000	4,000	...	93,000	—2,000
Guaranteed Interest, less net Traffic Receipts ...	1,244,562	1,583,000	1,002,000	...	581,000	1,260,000	+258,000
TOTAL ORDINARY ...	50,251,047	49,314,000	49,744,000	430,000	...	50,336,000	+592,000
Public Works, Extraordinary ..	4,249,566	4,300,000	4,143,000	...	157,000	3,759,000	—384,000
GRAND TOTAL ...	54,500,613	53,614,000	53,887,000	273,000	...	54,095,000	+208,000
Surplus, excluding Public Works, Extraordinary, but including Famine Charges...	319,130	506,000	1,247,000	741,000	...	144,000	—1,103,000
Surplus, excluding Public Works, Extraordinary, and Famine Charges	2,556,990	506,000	1,903,000	1,397,000	...	144,000	—1,759,000
Gross Guaranteed Interest ...	4,693,884	4,725,000	4,687,000	...	38,000	4,730,000	+43,000
Net Traffic Receipts ...	3,449,322	3,142,000	3,685,000	543,000	...	3,470,000	—215,000
Guaranteed Interest, less net Traffic Receipts ...	1,244,562	1,583,000	1,002,000	...	581,000	1,260,000	+258,000

E. F. HARRISON,
Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

II.

REVENUE AND EXPENDITURE OF THE

Estimates

REVENUE.	Accounts, 1874-75.	Budget Estimates, 1875-76.	Regular Estimates, 1875-76.	Increase.	Decrease.	Budget Estimates, 1876-77.	Budget Estimates, 1876-77, compared with Regular Estimates, 1875-76.
	£	£	£	£	£	£	£
I.—Land Revenue ...	21,296,493	21,379,000	21,372,000	...	7,000	21,381,000	+9,000
II.—Tributes and Contributions from N. States ..	724,972	700,000	723,000	23,000	...	700,000	—23,000
III.—Forest	583,281	572,000	624,000	52,000	...	600,000	—24,000
IV.—Excise on Spirits and Drugs	2,346,143	2,370,000	2,488,000	118,000	...	2,525,000	+37,000
V.—Assessed Taxes ...	2,747	...	...	...	...	...	...
VI.—Customs	2,678,479	2,670,000	2,705,000	35,000	...	2,620,000	—85,000
VII.—Salt	6,227,301	6,208,000	6,286,000	78,000	...	6,300,000	+14,000
VIII.—Opium	8,556,629	8,050,000	8,449,000	399,000	...	8,200,000	—249,000
IX.—Stamps	2,758,042	2,784,000	2,815,000	31,000	...	2,837,000	+22,000
X.—Mint	158,989	72,000	106,000	34,000	...	124,000	+18,000
XI.—Post Office ...	739,400	735,000	759,000	24,000	...	778,000	+19,000
XII.—Telegraph ...	272,763	268,400	285,600	17,200	...	281,500	—4,100
XIII.—Law and Justice ...	321,798	319,000	316,000	...	3,000	316,000	...
XIV.—Marine	216,661	197,000	202,300	5,300	...	198,000	—4,300
XV.—Interest	463,807	552,000	523,000	...	29,000	488,000	—35,000
XVI.—Receipts in aid of Superannuation, Retired and Compassionate Allowances	603,833	542,400	658,000	115,600	...	504,400	—153,600
XVII.—Gain by Exchange on Transactions with London	395,335	325,000	374,000	49,000	...	347,000	—27,000
XVIII.—Miscellaneous ...	247,665	172,000	254,000	82,000	...	238,400	—15,600
TOTAL ...	48,594,338	47,915,800	48,939,900	1,024,100	...	48,438,300	—501,600
Army	963,508	880,000	904,800	24,800	...	840,800	—64,000
Public Works, Ordinary ...	61,406	75,200	53,600	...	21,600	65,000	+11,400
Irrigation	476,450	532,000	529,000	...	3,000	527,000	—2,000
State Railways	130,986	230,000	277,000	47,000	...	415,000	+138,000
TOTAL ORDINARY ...	50,226,688	49,633,000	50,704,300	1,071,300	...	50,286,100	—418,200

Fort William;
Financial Department,
The 31st March 1876.

EDWARD GAY,
Deputy Comptroller General

GOVERNMENT OF INDIA IN INDIA.

1876-77.

EXPENDITURE.	Accounts, 1874-75.	Budget Estimates, 1875-76.	Regular Estimates, 1875-76.	Increase.	Decrease.	Budget Estimates, 1876-77.	Budget Estimates, 1876-77, compared with Regular Estimates, 1875-76.
	£	£	£	£	£	£.	£
1.—Interest on Funded and Unfunded Debt ...	2,841,940	3,045,200	3,012,100	...	33,100	3,106,400	+ 94,300
2.—Interest on Service Funds and other Accounts ...	379,568	376,000	391,000	15,000	...	390,000	— 1,000
3.—Refunds and Drawbacks ...	319,916	300,000	282,000	...	18,000	300,000	+ 18,000
4.—Land Revenue ...	2,452,969	2,477,700	2,496,900	19,200	...	2,467,800	— 29,100
5.—Forest	417,306	402,800	421,300	18,500	...	414,500	— 6,800
6.—Excise on Spirits and Drugs	86,992	86,000	85,000	...	1.000	87,000	+ 2,000
7.—Assessed Taxes ...	1	...	...	...	...	...	...
8.—Customs	184,153	179,000	186,800	7,800	...	189,000	+ 2,200
9.—Salt	462,136	498,000	513,700	15,700	...	525,600	+11,900
10.—Opium	2,341,282	2,360,000	2,215,300	...	84,700	2,199,000	— 16,300
11.—Stamps	66,219	74,000	70,700	...	3,300	71,700	+ 1,000
12.—Mint	116,000	73,600	80,100	6,500	...	79,000	— 1,100
13.—Post Office	747,388	752,500	752,400	...	100	760,400	+ 8,000
14.—Telegraph	349,854	395,000	400,500	5,500	...	381,300	— 19,200
15.—Administration ...	1,216,567	1,247,400	1,253,700	6,300	...	1,251,500	— 2,200
16.—Minor Departments ...	283,609	278,000	270,800	...	7,200	249,400	— 21,400
17.—Law and Justice ...	2,296,757	2,337,500	2,333,800	...	3,700	2,364,200	+ 30,400
18.—Marine	412,983	402,600	444,600	42,000	...	403,400	— 41,200
19.—Ecclesiastical	160,465	160,100	158,800	...	1,300	161,100	+ 2,300
20.—Medical	181,579	180,000	182,000	2,000	...	184,000	+ 2,000
21.—Political Agencies ...	365,925	303,000	415,900	112,900	...	293,400	— 122,500
22.—Allowances and Assignments under Treaties and Engagements ...	1,719,032	1,675,600	1,684,200	8,600	...	1,675,200	— 9,000
24.—Superannuation, Retired and Compassionate Allowances	680,093	695,500	807,000	111,500	...	586,000	— 221,000
25.—Loss by Exchange on Transactions with London ...	897,878	1,390,000	1,425,000	35,000	...	2,332,000	+907,000
26.—Miscellaneous ...	62,735	44,000	148,000	104,000	...	45,000	— 103,000
27.—Allotments for Provincial Services	5,147,844	5,058,400	5,143,300	84,900	...	5,059,400	— 83,900
Famine Relief	2,168,624	*Nil.*	656,000	656,000	...	...	— 656,000
TOTAL ...	26,359,815	24,731,900	25,830,900	1,099,000	...	25,576,300	— 254,600
Army	11,757,381	11,930,400	11,769,800	...	160,600	11,820,700	+ 50,900
Public Works, Ordinary ...	2,404,110	2,570,200	2,648,900	78,700	...	2,441,500	— 207,400
State Railways	183,883	180,000	221,000	41,000	...	292,000	+ 71,000
Land and Supervision (Guaranteed Railways)	55,394	91,000	95,000	4,000	...	93,000	— 2,000
	40,760,583	39,503,500	40,565,600	1,062,100	...	40,223,500	— 342,100
Public Works, Extraordinary...	3,116,338	3,600,200	3,398,000	...	202,200	3,015,900	— 382,100
GRAND TOTAL ...	43,876,921	43,103,700	43,963,600	859,900	...	43,239,400	— 724,200

E. F. HARRISON,
Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

I

REVENUE AND EXPENDITURE AT THE HOMI

Estimates

REVENUE.	Accounts, 1874-75.	Budget Estimates, 1875-76.	Regular Estimates, 1875-76.	Increase.	Decrease.	Budget Estimates, 1876-77.	Budget Estimates, 1876-77, compared with the Regular Estimates, 1875-76.
	£	£	£	£	£	£	£
I.—Land Revenue ...	300	...	...	...	...	...	...
X.—Mint ...	32	...	...	...	...	...	...
XII.—Telegraph ...	13,716	21,600	17,400	...	4,200	8,500	—8,900
XIV.—Marine ...	81,864	...	700	700	...	...	—700
XV.—Interest	79,512	20,000	35,000	15,000	...	20,000	—15,000
XVI.—Receipts in aid of Superannuation, Retired and Compassionate Allowances	94,808	91,600	92,000	400	...	89,600	—2,400
XVIII.—Miscellaneous ...	30,479	8,000	18,000	10,000	...	20,600	+2,600
TOTAL ...	300,711	141,200	163,100	21,900	...	138,700	—24
Army	25,337	27,000	106,200	79,200	...	37,200	—69,0
Public Works, Ordinary ...	17,143	18,800	17,400	...	1,400	18,000	+6
Irrigation	298	...	...	...	...	...	...
GRAND TOTAL ...	343,489	187,000	286,700	99,700	...	193,900	—92,8

Fort William;
Financial Department,
The 31st March 1876.

EDWARD GAY,
Deputy Comptroller General.

REASURY OF THE GOVERNMENT OF INDIA.

876-77.

EXPENDITURE.	Accounts, 1874-75.	Budget Estimates, 1875-76.	Regular Estimates, 1875-76.	Increase.	Decrease.	Budget Estimates, 1876-77.	Budget Estimates, 1876-77, compared with the Regular Estimates, 1875-76.
	£	£	£	£	£	£	£
1.—Interest on Funded and Unfunded Debt ...	2,190,546	2,162,800	2,160,900	...	1,900	2,253,600	+92,700
4.—Land Revenue ...	4,839	2,300	5,100	2,800	...	5,200	+100
5.—Forest	5,961	2,200	2,700	500	...	2,500	—200
6.—Excise	359	...	...	...	...	...	...
8.—Customs	19	...	200	200	...	...	—200
9.—Salt	32	...	300	300	...	400	+100
0.—Opium	264	...	700	700	...	1,000	+300
..—Stamps	59,232	49,000	35,300	...	13,700	31,300	—4,000
2.—Mint	15,093	16,400	26,900	10,500	...	15,000	—11,900
3.—Post Office	60,208	63,500	64,600	1,100	...	82,600	+18,000
4.—Telegraph	82,175	89,000	92,500	3,500	...	106,700	+14,200
5.—Administration ...	388,902	367,600	443,300	80,700	...	343,500	—104,800
6.—Minor Departments ...	36,932	21,000	38,200	17,200	...	37,600	—600
7.—Law and Justice ...	1,423	2,500	1,200	...	1,300	2,800	+1,600
8.—Marine	177,963	186,400	211,400	25,000	...	172,600	—38,800
9.—Ecclesiastical	1,259	900	1,200	300	...	900	—300
0.—Political	38,298	33,000	16,100	...	16,900	55,600	+39,500
1.—Allowance, &c. ...	19,336	19,400	20,800	1,400	...	20,800	...
2.—Civil Furlough and Absentee Allowances ...	216,704	221,000	223,000	2,000	...	223,000	...
3.—Superannuation, &c. ...	1,099,863	1,120,500	1,137,000	16,500	...	1,210,000	+73,000
4.—Miscellaneous	59,302	33,000	41,000	8,000	...	33,000	—8,000
5.—Allotments for Provincial Services	900	600	700	100	...	600	—100
Famine Relief	69,233	...	...	...	...	...	...
TOTAL ...	4,527,946	4,391,100	4,523,100	137,000	...	4,598,700	+70,600
... ...	3,617,811	3,752,600	3,555,200	...	197,400	4,158,300	+603,100
ic Works, Ordinary ...	100,145	83,800	93,100	9,300	...	90,500	—2,600
Railways	...	...	...	...	...	5,000	+5,000
anteed Interest less Net affic Receipts	1,244,562	1,583,000	1,002,000	...	581,000	1,260,000	+258,000
	9,490,464	9,810,500	9,173,400	...	632,100	10,112,500	+934,100
ic Works, Extraordinary ...	1,133,228	699,800	745,000	45,200	...	743,100	— 1,900
GRAND TOTAL ...	10,623,692	10,510,300	9,923,400	...	586,900	10,855,600	+932,200

E. F. HARRISON,
Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

IV

RECEIPTS AND DISBURSEMENTS AT THE TREASURIES O

RECEIPTS.	Accounts, 1874-75.	Budget Estimates, 1875-76.	Regular Estimates, 1875-76.	Increase.	Decrease.	Budget Estimates, 1876-77.	Estimates, 1876-77, compared with Regular Estimates, 1875-76.
	£	£	£	£	£	£	£
I.—Opening balance ...	16,047,080	18,386,198	17,974,140	...	412,058	16,990,840	—983,300
II.—Imperial revenue ...	53,622,095	49,820,000	50,991,000	1,171,000	...	50,480,000	—511,000
III.—Traffic earnings of guaranteed railways	8,216,801	7,449,900	8,184,000	734,100	...	7,888,000	—296,000
IV.—Provincial revenue ...	6,963,723	10,832,700	7,016,000	645,300	...	5,959,000	—1,061,000
V.—Local revenue ...	3,781,435		4,468,000			3,454,000	—1,014,000
VI.—Service funds, civil ...	602,730	494,000	516,300	22,300	...	550,000	+33,700
VII.—Service funds, military	...	...	...	...	...	...	...
VIII.—Loans to native states, corporations and individuals repaid ...	190,027	131,000	146,400	15,400	...	152,000	+5,600
IX.—Savings banks deposits	730,873	826,000	716,500	...	109,500	700,000	—16,500
X.—Other deposits received & advances recovered	12,822,316	9,680,700	12,464,000	2,773,300	...	10,939,000	—1,525,000
XI.—Local remittances ...	779,513	298,000	132,900	...	165,100	300,000	+167,100
XII.—Inter-provincial and inter-departmental transactions ...	11,392,573	16,591,000	18,006,000	1,415,000	...	17,000,000	—1,006,000
XIII.—Remittance account with the Home Treasury ...	1,616,212	939,000	1,006,300	67,300	...	1,019,000	+12,700
XIV.—Secretary of State's bills on India sold...	10,841,614	14,300,000	12,390,000	...	1,910,000	13,660,000	+1,270,000
XV.—Sundry obligations incurred ...	570,934	502,000	522,000	20,000	...	500,000	—22,000
XVI.—Public debt incurred...	9,147,323	3,360,000	4,405,700	1,105,700	...	3,470,000	—935,700
XVII.—Guaranteed railway capital received ...	2,268,429	2,147,900	2,972,700	824,800	...	2,271,700	—701,000
TOTAL ...	139,593,688	135,708,398	141,905,940	8,794,200	2,596,658	135,333,540	—6,572,400

Abstract of the above shewing how t

ACCOUNTS, 1874-75.				REGULAR ES	
	£		£		£
Savings banks deposits ...	9,936	Deficit of imperial revenue ...	878,518	Service funds, civil ...	103,3
Deposits received and advances recovered ...	142,843	Deficit of provincial and local revenue ...	174,578	Savings banks deposits ...	96
Sundry obligations ...	217,616	Service funds, civil ...	2,987,501	Deposits received and advances recovered ...	504
Public Debt incurred ...	8,398,168	Service funds, military ...	363,517	Public debt incurred ...	3,902
		Loans to native states, corporations and individuals	611,627		
		Remittances	1,181,421		
		Cash balance increased ...	1,927,060	Cash balance reduced ...	983
		Guaranteed Railway Capital withdrawn	644,341		
TOTAL ...	8,768,563	TOTAL ...	8,768,563	TOTAL ...	5,590

Fort William;
FINANCIAL DEPARTMENT,
The 31st March 1876.

EDWARD GAY,
Deputy Comptroller Gen

THE GOVERNMENT OF INDIA, IN INDIA AND IN ENGLAND.

DISBURSEMENTS.	ACCOUNTS, 1874-75.	BUDGET ESTIMATES, 1875-76.	REGULAR ESTIMATES, 1875-76.	INCREASE.	DECREASE.	BUDGET ESTIMATES 1876-77.	ESTIMATES, 1876-77, COMPARED WITH REGULAR ESTIMATES 1875-76.
	£	£	£	£	£	£	£
1.—IMPERIAL EXPENDITURE ...	53,256,051	52,031,000	52,885,000	854,000	...	52,835,000	—50,000
2.—WORKING EXPENSES OF GUARANTEED RAILWAYS ...	4,767,479	4,307,900	4,499,000	191,100	...	4,418,000	—81,000
3.—INTEREST ON GUARANTEED RAILWAY CAPITAL SUPPLIED FROM SURPLUS EARNINGS...	4,693,884	4,725,000	4,687,000	...	38,000	4,730,000	+43,000
4.—PROVINCIAL EXPENDITURE ...	6,751,248	11,189,900	7,269,200	685,200	...	6,116,000	—1,153,200
5.—LOCAL EXPENDITURE ...	4,168,488		4,605,000			3,574,000	—1,031,000
6.—SERVICE FUNDS, CIVIL ...	3,590,231	433,600	413,000	...	20,600	461,000	+48,000
7.—SERVICE FUNDS, MILITARY ...	363,517	313,000	413,700	100,700	...	268,000	—145,700
8.—LOANS ADVANCED TO NATIVE STATES, CORPORATIONS AND INDIVIDUALS ...	801,654	500,900	607,900	107,900	...	600,000	—7,900
9.—SAVINGS BANKS DEPOSITS WITHDRAWN ...	720,937	744,000	620,200	...	123,800	650,000	+29,800
10.—OTHER DEPOSITS REPAID AND ADVANCES MADE ...	12,679,473	8,595,000	11,959,600	3,364,600	...	10,835,000	—1,124,600
11.—LOCAL REMITTANCES ...	1,366,428	298,000	310,300	12,300	...	300,000	—10,300
12.—INTER-PROVINCIAL AND INTER-DEPARTMENTAL TRANSACTIONS ...	12,301,105	16,591,000	17,017,000	426,000	...	17,000,000	—17,000
13.—REMITTANCE ACCOUNT WITH THE HOME TREASURY ...	1,033,825	1,030,000	1,253,800	223,800	...	1,366,000	+112,200
14.—SECRETARY OF STATE'S BILLS ON INDIA PAID ...	11,109,975	14,300,000	13,065,000	...	1,235,000	13,660,000	+595,000
15.—SUNDRY OBLIGATIONS DISCHARGED ...	353,318	308,700	591,900	283,200	...	424,000	—167,900
16.—PUBLIC DEBT DISCHARGED ...	749,165	464,000	503,000	39,000	...	492,000	—11,000
17.—GUARANTEED RAILWAY CAPITAL WITHDRAWN ...	2,912,770	2,781,600	4,214,500	1,432,900	...	2,376,000	—1,838,500
18.—CLOSING BALANCE ...	17,974,140	17,696,598	16,990,840	...	105,758	15,228,540	—1,762,300
TOTAL ...	139,593,688	135,708,398	141,905,940	7,720,700	1,523,158	135,333,540	—6,572,400

Ways and Means are provided.

...TES, 1875-76.		BUDGET ESTIMATES, 1876-77.			
	£		£		£
...EFICIT OF IMPERIAL REVENUE ...	2,896,000	SERVICE FUNDS, CIVIL ...	89,000	DEFICIT OF IMPERIAL REVENUE ...	3,615,000
SERVICE FUNDS, MILITARY ...	413,700	DEPOSITS RECEIVED AND ADVANCES RECOVERED ...	104,000	DEFICIT OF PROVINCIAL AND LOCAL REVENUE ...	277,000
...ANS TO NATIVE STATES, CORPORATIONS AND INDIVIDUALS	461,500	SUNDRY OBLIGATIONS ...	76,000	SERVICE FUNDS, MILITARY ...	268,000
...EMITTANCES ...	110,900	PUBLIC DEBT INCURRED ...	2,978,000	LOANS TO NATIVE STATES, CORPORATIONS AND INDIVIDUALS	448,000
...ARANTEED RAILWAY CAPITAL WITHDRAWN ...	1,241,800	SAVINGS BANK DEPOSITS ...	50,000	GUARANTEED RAILWAY CAPITAL WITHDRAWN ...	104,300
...NDRY OBLIGATIONS DISCHARGED ...	69,900	CASH BALANCE REDUCED ...	1,762,300	REMITTANCES ...	347,000
...EFICIT OF PROVINCIAL AND LOCAL REVENUE ...	396,200				
TOTAL ...	5,590,000	TOTAL ...	5,059,300	TOTAL ...	5,059,300

E. F. HARRISON,
Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

V.

RECEIPTS AND DISBURSEMENTS AT THE TREA

RECEIPTS.	ACCOUNTS, 1874-75.	BUDGET ESTIMATES, 1875-76.	REGULAR ESTIMATES, 1875-76.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1876-77.	ESTIMATES, 1876-77, COMPARED WITH REGULAR ESTIMATES, 1875-76.
	£	£	£	£	£	£	£
I.—OPENING BALANCE ..	14,033,442	15,700,042	15,177,814	...	522,228	16,243,214	+1,065,400
II.—IMPERIAL REVENUE ...	53,278,606	49,633,000	50,704,300	1,071,300	...	50,286,100	—418,200
III.—TRAFFIC EARNINGS OF GUARANTEED RAILWAYS	8,216,861	7,449,900	8,184,000	734,100	...	7,888,000	—296,000
IV.—PROVINCIAL REVENUE ..	6,963,723	10,832,700	7,010,000	645,300	...	5,959,000	—1,051,000
V.—LOCAL REVENUE ...	3,781,435		4,468,000			3,454,000	—1,014,000
VI.—SERVICE FUNDS, CIVIL ...	602,730	494,000	516,300	22,300	...	550,000	+33,700
VII.—SERVICE FUNDS, MILITARY	...	...	...	...	...	...	...
VIII.—LOANS TO NATIVE STATES, CORPORATIONS AND INDIVIDUALS RE-PAID ...	190,027	131,000	146,400	15,400	...	152,000	+5,600
IX.—SAVINGS BANKS DEPOSITS	730,873	826,000	716,500	...	109,500	700,000	—16,500
X.—OTHER DEPOSITS RECEIVED & ADVANCES RECOVERED	12,743,070	9,687,700	12,461,000	2,773,300	...	10,935,000	—1,526,000
XI.—LOCAL REMITTANCES ...	779,513	208,000	132,900	...	165,100	300,000	+167,100
XII.—INTER-PROVINCIAL AND INTER-DEPARTMENTAL TRANSACTIONS ...	11,392,573	16,591,000	18,006,000	1,415,000	...	17,000,000	—1,006,000
XIII.—REMITTANCE ACCOUNT WITH THE HOME TREASURY ...	1,476,365	844,000	889,300	45,300	...	879,000	—10,300
XIV.—SECRETARY OF STATE'S BILLS ON INDIA SOLD ...	...	...	...	...	...	...	...
XV.—SUNDRY OBLIGATIONS INCURRED ...	570 934	502,000	522,000	20,000	...	500,000	—22,000
XVI.—PUBLIC DEBT INCURRED	4,146,333	3,300,000	3,401,700	101,700	...	830,000	—2,571,700
XVII.—GUARANTEED RAILWAY CAPITAL RECEIVED ...	1,478,729	1,227,600	1,291,700	64,100	...	1,354,700	+63,[illegible]
TOTAL ...	120,385,154	117,516,942	123,627,914	6,907,800	796,828	117,031,014	—6,596,900

Abstract of the above showing how th

ACCOUNTS, 1874-75.	£		£
IMPERIAL REVENUE ...	9,367,556	DEFICIT OF PROVINCIAL AND LOCAL REVENUE ...	174,578
GUARANTEED RAILWAY TRAFFIC EARNINGS ...	3,449,322	SERVICE FUNDS, CIVIL ...	2,987,501
DEPOSITS RECEIVED AND ADVANCES RECOVERED ...	65,075	SERVICE FUNDS, MILITARY ...	363.517
SAVINGS BANKS DEPOSITS ...	9,936	LOANS TO NATIVE STATES, CORPORATIONS AND INDIVIDUALS	611,627
PUBLIC DEBT INCURRED ...	3,398,168	SECRETARY OF STATE'S BILLS PAID	11,100,975
SUNDRY OBLIGATIONS ...	217,616	REMITTANCES ...	253,410
GUARANTEED RAILWAY CAPITAL RECEIVED ...	137,307	CASH BALANCE INCREASED ...	1,144,372
TOTAL ...	16,644,980	TOTAL ...	16,644,980

REGULAR EST	£
IMPERIAL REVENUE ...	6,719,700
GUARANTEED RAILWAY TRAFFIC EARNINGS ...	3,685,000
SERVICE FUNDS, CIVIL ...	103,300
SAVINGS BANKS DEPOSITS ...	96,300
DEPOSITS RECEIVED AND ADVANCES RECOVERED ...	506,400
REMITTANCES ...	1,544,100
PUBLIC DEBT INCURRED ...	2,898,700
TOTAL ...	15,543,5

FORT WILLIAM;
FINANCIAL DEPARTMENT,
The 31st March 1876.

EDWARD GAY,
Deputy Comptroller Gen

URIES OF THE GOVERNMENT OF INDIA.

DISBURSEMENTS.	ACCOUNTS, 1874-75.	BUDGET ESTIMATES, 1875-76.	REGULAR ESTIMATES, 1875-76.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1876-77.	ESTIMATES, 1876-77, COMPARED WITH REGULAR ESTIMATES, 1875-76
	£	£	£	£	£	£	£
1.—IMPERIAL EXPENDITURE ...	43,876,921	43,103,700	43,963,600	859,900	...	43,239,400	—724,200
2.—WORKING EXPENSES OF GUARANTEED RAILWAYS ...	4,767,479	4,307,900	4,499,000	191,100	...	4,418,000	—81,000
3.—INTEREST ON GUARANTEED RAILWAY CAPITAL SUPPLIED FROM SURPLUS EARNINGS...	34,129	35,000	31,000	...	4,000	30,000	—1,000
4.—PROVINCIAL EXPENDITURE ...	6,751,248	11,189,000	7,269,200	685,200	...	6,116,000	—1,153,200
5.—LOCAL EXPENDITURE ...	4,168,488		4,605,000			3,574,000	—1,031,000
6.—SERVICE FUNDS, CIVIL ...	3,590,231	423,600	413,000	...	20,600	461,000	+48,000
7.—SERVICE FUNDS, MILITARY ...	363,517	313,000	413,700	100,700	...	268,000	—145,700
8.—LOANS ADVANCED TO NATIVE STATES, CORPORATIONS AND INDIVIDUALS ...	801,654	500,000	607,900	107,900	...	600,000	—7,900
9.—SAVINGS BANKS DEPOSITS WITHDRAWN ...	720,937	744,000	620,200	...	123,800	650,000	+29,800
0.—OTHER DEPOSITS REPAID AND ADVANCES MADE ...	12,677,995	8,592,000	11,954,600	3,362,600	...	10,831,000	—1,123,600
1.—LOCAL REMITTANCES ...	1,366,428	298,000	310,300	12,300	...	300,000	—10,300
2.—INTER-PROVINCIAL AND INTER-DEPARTMENTAL TRANSACTIONS ...	12,301,105	16,591,000	17,017,000	426,000	...	17,000,000	—17,000
3.—REMITTANCE ACCOUNT WITH THE HOME TREASURY ...	234,328	134,500	156,800	22,300	...	139,000	—17,800
4.—SECRETARY OF STATE'S BILLS ON INDIA PAID ...	11,109,975	14,300,000	13,065,000	...	1,235,000	13,660,000	+595,000
5.—SUNDRY OBLIGATIONS DISCHARGED ...	353,318	308,700	591,900	283,200	...	424,000	—167,900
6.—PUBLIC DEBT DISCHARGED ...	748,165	464,000	503,000	39,000	...	492,000	—11,000
7.—GUARANTEED RAILWAY CAPITAL WITHDRAWN ...	1,341,422	1,234,900	1,363,500	128,600	...	1,276,000	—87,500
8.—CLOSING BALANCE ...	15,177,814	14,967,642	16,243,214	1,275,572	...	13,552,614	—2,690,600
TOTAL ...	120,386,154	117,516,942	123,627,914	7,494,372	1,383,400	117,031,014	—6,596,900

ays and Means are provided.

TES, 1875-76.		BUDGET ESTIMATES, 1876-77.			
	£		£		£
RVICE FUNDS, MILITARY ...	413,700	CASH BALANCE REDUCED ...	2,690,600	DEFICIT OF PROVINCIAL AND LOCAL REVENUE ...	277,000
ANS TO NATIVE STATES, CORORATIONS AND INDIVIDUALS	461,500	IMPERIAL REVENUE ...	7,616,700	SERVICE FUNDS, MILITARY ...	268,000
CRETARY OF STATE'S BILLS AID ...	13,065,000	GUARANTEED RAILWAY TRAFFIC EARNINGS ...	3,470,000	LOANS TO NATIVE STATES, CORPORATIONS AND INDIVIDUALS	448,000
SH BALANCE INCREASED ...	1,065,400	SERVICE FUNDS, CIVIL ...	89,000	SECRETARY OF STATE'S BILLS PAID ...	13,660,000
ARANTEED RAILWAY CAPIL WITHDRAWN ...	71,800	SAVINGS BANKS DEPOSITS ...	50,000		
NDRY OBLIGATIONS ...	69,000	DEPOSITS RECEIVED AND ADVANCES RECOVERED ...	104,000		
FICIT OF PROVINCIAL AND CAL REVENUE ...	396,200	REMITTANCES ...	740,000		
		SUNDRY OBLIGATIONS ...	76,000		
		PUBLIC DEBT INCURRED ...	338,000		
		GUARANTEED RAILWAY CAPITAL RECEIVED ...	78,700		
TOTAL ...	15,543,500	TOTAL ...	14,653,000	TOTAL ...	14,653,000

E. F. HARRISON,
Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

VI

RECEIPTS AND DISBURSEMENTS AT THE HOM

RECEIPTS.	ACCOUNTS, 1874-75.	BUDGET ESTIMATES, 1875-76.	REGULAR ESTIMATES, 1875-76.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1876-77.	ESTIMATES, 1876-77, COMPARED WITH REGULA ESTIMATES, 1875-76.
	£	£	£	£	£	£	£
I.—OPENING BALANCE ...	2,013,638	2,686,156	2,796,326	110,170	...	747,626	—2,048,700
II.—IMPERIAL REVENUE ...	343,489	187,000	286,700	99,700	...	193,900	—92,800
III.—TRAFFIC EARNINGS OF GUARANTEED RAILWAYS	...	...					
IV.—PROVINCIAL REVENUE ...	....	...					
V.—LOCAL REVENUE ...	...	...					
VI.—SERVICE FUNDS, CIVIL ...	...	...					
VII.—SERVICE FUNDS, MILITARY	...	...					
VIII.—LOANS TO NATIVE STATES, CORPORATIONS AND INDIVIDUALS REPAID ...	...	...					
IX.—SAVINGS BANKS DEPOSITS	...	...					
X.—OTHER DEPOSITS RECEIVED AND ADVANCES RECOVERED ...	79,246	3,000	3,000	...	...	4,000	+1,00
XI.—LOCAL REMITTANCES ...	...	...					
XII.—INTER-PROVINCIAL AND INTER-DEPARTMENTAL TRANSACTIONS ...	...	...					
XIII.—REMITTANCE ACCOUNT WITH THE HOME TREASURY ...	139,847	95,000	117,000	22,000	...	140,000	+23,00
XIV.—SECRETARY OF STATE'S BILLS ON INDIA SOLD...	10,841,614	14,300,000	12,390,000	...	1,910,000	13,660,000	+1,270,00
XV.—SUNDRY OBLIGATIONS INCURRED ...	...	...					
XVI.—PUBLIC DEBT INCURRED	5,001,000	...	1,004,000	1,004,000	...	2,640,000	+1,636,00
XVII.—GUARANTEED RAILWAY CAPITAL RECEIVED ...	789,700	920,300	1,681,000	760,700	...	917,000	—764,00
TOTAL ...	19,208,534	18,191,456	18,278,026	1,996,570	1,910,000	18,302,526	+24,50

Abstract of the above showing how

ACCOUNTS, 1874-75.				REGULAR E	
	£		£		£
SECRETARY OF STATE'S BILLS SOLD ...	10,841,614	EXCESS OF IMPERIAL EXPENDITURE OVER REVENUE ...	9,035,641	CASH BALANCE REDUCED ...	2,048,
DEPOSITS RECEIVED AND ADVANCES RECOVERED ...	77,768	INTEREST ON GUARANTEED RAILWAY CAPITAL ...	4,659,755	SECRETARY OF STATE'S BILLS SOLD ...	12,390,
PUBLIC DEBT INCURRED ...	5,000,000	REMITTANCES ...	659,650	PUBLIC DEBT INCURRED ...	1,004,
		GUARANTEED RAILWAY CAPITAL WITHDRAWN ...	781,648		
		CASH BALANCE INCREASED ...	782,688		
TOTAL ...	15,919,382	TOTAL ...	15,919,382	TOTAL ...	15,442

FORT WILLIAM;
FINANCIAL DEPARTMENT,
The 31st March 1876.

EDWARD GA

Deputy Comptroller Ge

TREASURY OF THE GOVERNMENT OF INDIA IN ENGLAND.

DISBURSEMENTS.	ACCOUNTS, 1874-75.	BUDGET ESTIMATES, 1875-76.	REGULAR ESTIMATES, 1875-76.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1876-77.	ESTIMATES, 1876-77 COMPARED WITH REGULAR ESTIMATES, 1875-76.
	£	£	£	£	£	£	£
1.—IMPERIAL EXPENDITURE ...	9,379,130	8,927,300	8,921,400	...	5,900	9,595,600	+674,200
2.—WORKING EXPENSES OF GUARANTEED RAILWAYS ...	...	...	...			...	...
3.—INTEREST ON GUARANTEED RAILWAY CAPITAL SUPPLIED FROM SURPLUS EARNINGS	4,659,755	4,690,000	4,656,000	...	34,000	4,700,000	+44,000
4.—PROVINCIAL EXPENDITURE ...	...						
5.—LOCAL EXPENDITURE ...	...						
6.—SERVICE FUNDS, CIVIL ...	...						
7.—SERVICE FUNDS, MILITARY ...	...						
8.—LOANS ADVANCED TO NATIVE STATES, CORPORATIONS AND INDIVIDUALS ...	...						
9.—SAVINGS BANKS DEPOSITS WITHDRAWN ...	...						
10.—OTHER DEPOSITS REPAID AND ADVANCES MADE ...	1,478	3,000	5,000	2,000	...	4,000	—1,000
11.—LOCAL REMITTANCES ...	...						
12.—INTER-PROVINCIAL AND INTER-DEPARTMENTAL TRANSACTIONS ...	...						
13.—REMITTANCE ACCOUNT WITH THE HOME TREASURY ...	799,497	895,500	1,097,000	201,500	...	1,227,000	+130,000
14.—SECRETARY OF STATE'S BILLS ON INDIA PAID ...	...						
15.—SUNDRY OBLIGATIONS DISCHARGED ...	...						
16.—PUBLIC DEBT DISCHARGED ...	1,000		...			...	
17.—GUARANTEED RAILWAY CAPITAL WITHDRAWN ...	1,571,348	1,546,700	2,851,000	1,304,300	...	1,100,000	—1,751,000
18.—CLOSING BALANCE ...	2,796,326	2,128,956	747,626	...	1,381,330	1,675,926	+928,300
TOTAL ...	19,208,534	18,191,456	18,278,026	1,507,800	1,421,230	18,302,526	+24,500

Ways and Means are provided.

IATES, 1875-76.	£	BUDGET ESTIMATES, 1876-77.	£		£
EXCESS OF IMPERIAL EXPENDITURE OVER REVENUE ...	8,634,700	SECRETARY OF STATE'S BILLS SOLD ...	13,660,000	EXCESS OF IMPERIAL EXPENDITURE OVER REVENUE ...	9,401,700
INTEREST ON GUARANTEED RAILWAY CAPITAL ...	4,656,000	PUBLIC DEBT INCURRED ...	2,640,000	INTEREST ON GUARANTEED RAILWAY CAPITAL ...	4,700,000
DEPOSITS REPAID AND ADVANCES MADE ...	2,000			REMITTANCES ...	1,087,000
REMITTANCES ...	980,000			GUARANTEED RAILWAY CAPITAL WITHDRAWN ...	183,000
GUARANTEED RAILWAY CAPITAL WITHDRAWN ...	1,170,000			CASH BALANCE INCREASED ...	928,300
TOTAL ...	15,442,700	TOTAL ...	16,300,000	TOTAL ...	16,300,000

E. F. HARRISON,
Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

VII.

PROVINCIAL REVENUE AND EXPENDITURE.

Estimates, 1876-77.

REVENUE.	Accounts, 1874-75.	Budget Estimates, 1875-76.	Regular Estimates, 1875-76.	Regular Estimates, compared with Budget Estimates, 1875-76.	Budget Estimates, 1876-77.	Budget Estimates, 1876-77, compared with Regular Estimates, 1875-76.
	£	£	£	£	£	£
Opening balance ...	230,441	233,055	442,916	+159,861	183,716	—259,200
Imperial allotment for provincial services ...	5,147,844	5,058,400	5,143,300	+84,900	5,059,400	*—83,900
Special Allotment ...	...	...	830,000	+830,000	...	—830,000
Taxes, rates and cesses—						
On lands ...	...	...	...	...	...	...
On houses ...	1,058	1,200	1,350	+150	1,200	—150
Assessed taxes ...	...	...	...	...	...	...
Miscellaneous Taxes—						
Octroi ...	...	...	...	...	...	...
Licenses ...	...	...	...	...	...	...
Miscellaneous ...	...	...	...	...	...	...
	1,058	1,200	1,350	+150	1,200	—150
Departmental receipts—						
Jails ...	300,921	326,846	308,763	—18,083	329,077	+20,314
Registration ...	175,789	185,046	181,899	—3,147	191,923	+10,024
Police ...	78,384	90,838	80,054	—10,784	52,808	—27,246
Education ...	105,661	108,909	104,267	—4,642	102,778	—1,489
Medical ...	43,724	26,583	30,666	+4,083	30,973	+307
Printing ...	17,509	18,066	18,744	+678	17,564	—1,180
Marine ...	3,542	2,500	2,440	—60	2,450	+10
	725,530	758,788	726,833	—31,955	727,573	+740
Miscellaneous receipts—						
Tolls ...	3,204	4,930	3,800	—1,130	3,800	...
Port dues ...	...	...	...	...	...	...
Interest ...	...	...	...	...	...	...
Rents ...	135	164	440	+276	148	—292
Sale of lands, houses, &c. ...	...	...	...	...	...	...
Cattle trespass fines ...	...	...	...	...	...	...
Miscellaneous fees and fines	12,957	12,123	12,822	+699	12,035	—787
Voluntary contributions ...	763,814	350	...	—350	...	...
Sundry receipts ...	18,167	16,312	22,069	+5,757	24,894	+2,825
	797,377	33,879	39,131	+5,252	40,877	+1,746
Contributions ...	76,250	134,196	125,390	—8,806	30,650	—94,740
Public works ...	84,414	44,066	55,585	+11,519	45,333	—10,252
Total revenue ...	6,832,473	6,030,529	6,921,589	+891,060	5,905,033	—1,016,556
Debt accounts ...	131,250	92,100	88,411	—3,689	53,967	—34,444
GRAND TOTAL ... £	7,194,164	6,405,684	7,452,916	+1,047,232	6,142,716	—1,310,200

EXPENDITURE.	Accounts, 1874-75.	Budget Estimates, 1875-76.	Regular Estimates, 1875-76.	Regular Estimates, compared with Budget Estimates, 1875-76.	Budget Estimates, 1876-77.	Budget Estimates, 1876-77, compared with Regular Estimates, 1875-76.
	£	£	£	£	£	£
Refunds ...	7,768	5,016	5,111	+95	5,137	+26.
Collection of taxes and cesses ...	...	...	...	...	...	...
Jails ...	719,969	749,191	715,175	—34,016	742,448	+27,273
Registration ...	122,572	134,118	132,791	—1,327	143,392	+10,601
Police ...	2,096,000	2,146,346	2,111,690	—34,656	2,101,860	—9,830
Education ...	700,786	766,101	734,104	—31,997	748,127	+14,023
Medical ...	418,751	419,123	403,840	—15,283	409,802	+5,962
Printing ...	151,163	157,402	136,250	—21,152	156,269	+20,019
Marine ...	7,501	7,087	125	—6,962	167	+42
Minor establishments—						
General management ...	*9,146*	*11,381*	*9,384*	*—1,997*	*10,815*	*+1,431*
Model farms ...	*5,889*	*12,868*	*11,616*	*—1,252*	*9,776*	*—1,840*
Botanical and other public gardens ...	*1,607*	...	*33,261*	*+33,261*	*14,385*	*—18,876*
Collection of tolls, rates, rents, &c. ...	...	...	*10*	*+10*	...	*— 10*
Collection of cattle trespass fines ...	...	...	...	...	...	...
Cemeteries ...	*4,206*	*4,427*	*4,013*	*—414*	*4,199*	*+186*
District post ...	*25,125*	*24,764*	*25,227*	*+463*	*26,068*	*+841*
Sub-divisional establishments	*23,761*	...	*23,620*	*+23,620*	*22,690*	*—930*
Miscellaneous establishments	*7,488*	*26,508*	*8,725*	*—17,783*	*15,763*	*+7,038*
	77,222	79,948	115,856	+35,908	103,696	—12,160
Office rent, rates and taxes ...	53,999	56,124	60,754	+4,630	57,358	— 3,396
Miscellaneous ...	72,609	75,723	73,049	—2,674	64,476	—8,573
Contributions ...	338,057	40,227	1,061,468	+1,021,241	40,221	—1,021,247
	4,766,397	4,636,406	5,550,213	+913,807	4,572,953	—977,260
Public works ...	1,857,881	1,510,300	1,630,157	+119,857	1,436,283	—143,874
Total expenditure ...	6,624,278	6,146,706	7,180,370	+1,033,664	6,059,236	—1,121,134
Debt accounts ...	126,970	96,400	88,830	—7,570	56,764	—32,066
Closing balance ...	442,916	162,578	183,716	+21,138	26,716	—157,000
GRAND TOTAL ... £	7,194,164	6,405,684	7,452,916	+1,047,232	6,142,716	—1,310,200

Fort William,
Financial Department;
The 31st March 1876.

EDWARD GAY,
Deputy Comptroller General.

E. F. HARRISON,
Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

LOCAL REVENUE AND EXPENDITURE.

Estimates, 1876-77.

REVENUE.	Accounts, 1874-75.	Budget Estimates, 1875-76.	Regular Estimates, 1875-76.	Regular Estimates, compared with Budget Estimates, 1875-76.	Budget Estimates, 1876-77.	Budget Estimates 1876-77, compared with Regular Estimates, 1875-76.
	£	£	£	£	£	£
Opening balance ...	2,039,827	1,996,414	1,652,774	—343,649	1,515,774	—137,000
Taxes, rates and cesses—						
On lands ...	1,844,644	1,812,680	1,897,414	+84,734	2,099,057	+201,643
On houses ...	56,663	46,301	53,838	+7,537	52,338	—1,500
Assessed taxes ...	20,296	28,290	18,380	—4,910	17,581	—799
Miscellaneous Taxes—						
Octroi ...	689	8,455	9,072	+617	8,786	—286
Licenses ...	37,057	31,632	34,020	+2,388	36,481	+2,461
Miscellaneous ...	12,957	14,089	7,824	—6,265	3,016	—4,808
	1,972,306	1,936,497	2,020,548	+84,051	2,217,259	+196,711
Departmental receipts—						
Jails ...	4,119	5,000	5,000	...	4,177	—823
Registration ...	5,794	1,056	6,156	+5,100	4,656	—1,500
Police ...	27,148	18,979	17,716	—1,263	29,285	+11,569
Education ...	65,378	24,697	56,108	+31,411	49,199	—6,909
Medical ...	6,166	121	7,878	+7,757	6,790	—1,088
Printing ...	1,005	800	800	...	400	—400
Marine ...	16,872	4,150	20,782	+16,632	21,924	+1,142
	126,482	54,803	114,440	+59,637	116,431	+1,991
Miscellaneous receipts—						
Tolls ...	271,782	370,684	361,723	—8,961	264,747	—96,976
Port dues ...	74,988	60,960	82,522	+21,562	78,845	—3,677
Interest ...	12,203	42,598	37,190	—5,348	33,110	—4,080
Rents ...	85,829	88,112	77,969	—10,143	75,918	—2,051
Sale of lands, houses, &c.	9,969	5,651	18,236	+12,585	24,552	+6,316
Cattle trespass fines ...	96,901	...	53,240	+53,240	101,838	+48,598
Miscellaneous fees and fines	77,127	184,803	125,559	—59,244	81,178	—44,381
Voluntary contributions ...	53,464	69,967	63,867	—6,100	52,926	—10,941
Sundry receipts ...	294,932	245,009	175,099	—69,910	71,442	—103,657
	977,195	1,067,724	995,405	—72,319	784,556	—210,849
Contributions ...	436,187	386,762	1,181,960	+795,198	100,046	—1,081,914
Public works ...	156,067	13,615	58,349	+44,734	186,766	+128,417
Total revenue ...	3,668,237	3,459,401	4,370,702	+911,301	3,405,058	—965,644
Debt accounts ...	113,198	199,385	97,298	—102,087	48,942	—48,356
GRAND TOTAL ... £	5,821,262	5,655,200	6,120,774	+465,574	4,969,774	—1,151,000

EXPENDITURE.	Accounts, 1874-75.	Budget Estimates, 1875-76.	Regular Estimates, 1875-76.	Regular Estimates, compared with Budget Estimates, 1875-76.	Budget Estimates, 1876-77.	Budget Estimates, 1876-77, compared with Regular Estimates, 1875-76.
	£	£	£	£	£	£
Refunds ...	43,606	8,580	27,632	+19,052	17,366	—10,266
Collection of taxes and cesses ...	22,036	24,293	23,937	—356	25,279	+1,342
Jails ...	1,439	2,634	2,702	+68	1,470	—1,232
Registration ...	3,818	556	4,261	+3,705	3,945	—316
Police ...	300,748	315,132	309,204	—5,928	311,135	+1,931
Education ...	301,000	313,764	317,362	+3,598	325,409	+8,047
Medical ...	69,836	141,206	89,005	—52,201	99,244	+10,239
Printing ...	1,553	1,266	2,083	+817	791	—1,292
Marine ...	46,506	63,344	73,430	+10,086	69,647	—3,783
Minor establishments—						
General management ...	*74,069*	*81,926*	*69,799*	*—11,227*	*65,687*	*—4,112*
Model farms ...	...	...	...	...	...	...
Botanical and other public gardens ...	*5,487*	...	*5,450*	*+5,450*	*5,179*	*—271*
Collection of tolls, rates, rents, &c. ...	*14,373*	*51,811*	*16,019*	*—35,792*	*15,381*	*—638*
Collection of cattle trespass fines ...	*45,359*	*26,917*	*35,222*	*+8,305*	*41,346*	*+6,124*
Cemeteries ...	*217*	*231*	*264*	*+33*	*224*	*—40*
District post ...	*51,900*	*53,976*	*50,545*	*—3,431*	*56,157*	*+5,612*
Sub-divisional establishments ...	...	...	...	...	...	...
Miscellaneous establishments	*537,180*	*473,485*	*536,152*	*+62,667*	*588,131*	*+51,979*
	728,585	687,446	713,451	+26,005	772,105	+58,654
Office rent, rates and taxes ...	...	...	...	...	...	...
Miscellaneous ...	196,109	162,549	245,353	+82,804	107,326	—138,027
Contributions ...	152,863	322,883	189,869	—133,014	107,424	—82,445
	1,868,099	2,043,653	1,998,289	—45,364	1,841,141	—157,148
Public works ...	2,209,755	1,782,428	2,541,744	+759,316	1,713,168	—828,576
Total expenditure ...	4,077,854	3,826,081	4,540,033	+713,952	3,554,309	—985,724
Debt accounts ...	99,634	26,080	64,967	+38,887	19,691	—45,276
Closing balance ...	1,652,774	1,803,039	1,515,774	—287,265	1,395,774	—120,000
GRAND TOTAL ... £	5,821,262	5,655,200	6,120,774	+465,574	4,969,774	—1,151,000

Fort William;
Financial Department,
The 31st March 1876.

EDWARD GAY,
Deputy Comptroller General.

E. F. HARRISON,
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*R. B. CHAPMAN,
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FINANCIAL STATEMENT FOR 1877-78.

PART I.—SPEECH IN THE LEGISLATIVE COUNCIL OF HIS EXCELLENCY THE VICEROY, BY THE HONORABLE SIR JOHN STRACHEY, K.C.S.I.

MARCH 15TH, 1877.

Preliminary.

MY LORD; For the first time since 1872, a Statement regarding the Finances of British India is made before the public, and in this Council. During the last five years, no legislation has been proposed in connection with the Budget, and, under those circumstances, no Statement could have been made in the Legislative Council, without infringing the provisions of the Act of Parliament by which the Council was constituted: the Government is glad, on the present occasion, to be able to return to the practice which formerly prevailed.

I do not, however, propose to submit to the Council the whole of the details which explain the accounts of the Revenue and Expenditure and Receipts and Disbursements of 1875-76, and the Regular Estimates for 1876-77. They are more than usually voluminous; and it seemed desirable to keep them separate from my present Statement. The first year for which your Excellency as Viceroy is financially responsible, is now about to commence, and this is the first opportunity which I have myself had, since I assumed my present office, of stating the opinions which I have formed: the time is especially fitting for making the examination of our existing financial position, and of the operations of the past and the present year, as complete as possible: but I could not do this without entering into a mass of details, which, however valuable and interesting they may be, would be out of place, and sometimes hardly intelligible, in a statement made orally to this Council. I have, therefore, thrown them into a separate Minute: it has been published to-day, and it is now in the hands of the Members of the Council: in it I have endeavoured to give the fullest information in my power regarding the Accounts and Estimates of the two years which are now about to close. I propose to give to the Council a brief summary only of some of the main results which that Minute shows, and to confine myself now for the most part to an explanation of the Estimates of the coming year; to a statement of the facts necessary for a clear understanding of our present position; to noticing some of the more important principles by which the Government of your Excellency proposes to direct its future financial policy; and to describing the measures by which we hope to improve the existing condition of affairs: some of those measures will require the sanction of this Council.

CHANGES IN THE FORM OF THE ACCOUNTS.

I must, before going further, quote from my Minute an explanation which is there given at greater length. "The Abstract Statements of the Accounts of the Revenue and Expenditure of 1875-76 and the Estimates of 1876-77 and 1877-78 differ in form from the Statements prepared during the last seven years.

"From the 1st April 1871, the Government of Lord Mayo entrusted to the management of the Local Governments and Administrations certain important services, with Consolidated Allotments from the Imperial Revenues for their support, and the revenues connected with these services were, at the same time, surrendered for provincial uses. It was thought inexpedient to retain in the Imperial Accounts and Estimates the details of the revenue and expenditure thus made over to the Local Governments: accordingly, since 1871-72, these transferred Heads of Revenue and Expenditure have been excluded from the General Estimates and Accounts, the whole transactions respecting them being represented there by a single net entry under the head *Allotments*

Preliminary.

for Provincial Services. The details thus omitted have been published in subsidiary Statements, and each Local Government has given due publicity to its own Provincial Estimates and Accounts.

"The Government of India now sees reason to regret the method then employed, because, by this method, figures of interest and importance are relegated to subordinate Statements; the General Accounts and Estimates become incomplete; and the character of the arrangements between the Imperial and the Local Governments is not truly represented, nor their operation sufficiently illustrated. The Government of India has, therefore, resolved to re-introduce into the Imperial Accounts and Estimates all the details omitted therefrom since 1871-72. Thus, henceforth, any one desiring to ascertain the gross revenue and expenditure of British India, under the several recognised Heads of Account, will be able to do so from the General Accounts and Estimates. It seems to me that this will be an advantage, and that the re-combination of the Accounts of the Imperial and Provincial Governments into one Imperial Account, will make the whole more intelligible, and enable both the Government of India to control the Revenue and Expenditure, and the public to criticise the Accounts, more effectually than heretofore."

I have one more preliminary remark to make. I ask the attention of the Council to the observations made in my Minute, regarding the use of Pounds Sterling in our Accounts and Estimates: for the reasons there given, I came to the conclusion that it was better to state all the figures in Rupees; and I have done this in my detailed review of the Accounts of 1875-76 and of the Regular Estimates of 1876-77. In spite of the apparent inconsistency, I shall to-day usually speak to the Council of Pounds sterling, on the old assumption that the English pound is equal to ten rupees, because I shall thus make myself more readily intelligible to my audience; and, as the figures which I shall have to give will, for the most part, represent estimates only, exact accuracy is less important: it must, however, always be borne in mind that, when I speak of Pounds sterling, I am really using a conventional term of account, and that the Pound sterling of my Statement means ten rupees, a very different thing from the English pound.

ACCOUNTS, 1875-76.

The Accounts of 1875-76 show a surplus on the ordinary account of £1,668,882. If the extraordinary expenditure on Public Works be included, this surplus becomes a deficit of £2,601,740.

REGULAR ESTIMATES, 1876-77.

In 1876-77 a deficit is expected on the ordinary account of £2,278,300. Including the extraordinary expenditure, the deficit is £6,078,300. The result on the ordinary account is worse than the original estimate by £2,422,300. This is due to the famine in Madras and Bombay, which is now expected to cost in loss of revenue and in direct expenditure £5,250,000. Of this sum, £3,100,000 belong to 1876-77, and £2,150,000 to 1877-78. If there had been no famine, there would be a surplus on the ordinary account of £624,800 which exceeds the original estimate by £480,800.

Estimates, 1877-78.

I come now to the Estimates of *Revenue and Expenditure* in 1877-78, and the *Ways and Means* whereby it is proposed to make provision for the service of the year.

GENERAL ESTIMATES OF REVENUE AND EXPENDITURE AND RECEIPTS AND DISBURSEMENTS, 1877-78.

We estimate that the Revenues of 1877-78 will amount to £52,192,700, and the Expenditure to £56,442,400. Thus we expect a Deficit in 1877-78 of £4,249,700, of which, however, £3,628,000 has been granted for the construction of Extraordinary Public Works. Excluding this outlay, we expect a Deficit on the Ordinary Account of £621,700. We estimate the cost of the Famine in 1877-78 at £2,150,000.

EFFECT OF FAMINE ON ESTIMATES, 1877-78.

Thus it appears, *primâ facie*, that, but for the Famine, our Estimates would show a Surplus of £1,528,300. I am obliged, however, at once to dispel the flattering impression that might be gathered from this statement, by the observation that one of the indirect consequences of the Famine is the reduction of the entry under the adjusting Head *Loss by Exchange* by an amount which I cannot estimate at less than £700,000: there would, however, be a set-off to this, if there were no Famine, in a lower charge for interest by perhaps £100,000: thus I am led to think that, but for the Famine, our Estimates, as they stand, would have shown a

surplus of £928,300. But this really represents the facts in too favorable a light, because the Expenditure on Extraordinary Public Works includes a sum of £1,206,300 to be spent on works which will not be remunerative, and which, as I shall explain further on, ought, therefore, in my opinion, to be looked on as ordinary: if these charges had been so treated, the estimated Surplus of £928,300 would have been converted into a Deficit of £278,028. It will also be seen, immediately, that I am estimating Opium at net £250,000 more than it was estimated for the current year; and also that the causes of apprehension in regard to the value of silver are, unhappily, by no means removed. Estimates, 1877-78. *Revenue.*

Still, making all allowances, these general results are decidedly encouraging: the expenditure on unremunerative public works has never been hitherto treated as an Ordinary Charge; and it is highly satisfactory that the Estimates of the year should give us reason to believe that our income will not only cover the whole of the charges which have always been classed as Ordinary, but will go far towards paying for those great public works which, although required for the service of the Empire, are not expected to be directly profitable.

The Famine is, altogether, so serious a disturbing cause, that it seems hardly worth while to make general comparisons; however, I place together the Revenue and Expenditure of the three years as follows:—

	Revenues.	Expenditure.	Deficit.	Excluding Public Works Extraordinary.		Excluding Public Works Extraordinary and Famine.
	£	£	£		£	£ Surplus.
1875-76	52,515,789	55,117,536	2,601,747	Surplus	1,668,882	2,177,437
1876-77, Regular Estimate	51,206,700	57,285,000	6,078,300	Deficit	2,278,300	624,300
1877-78, First Estimate...	52,192,700	56,442,400	4,249,700	Deficit	621,700	928,300

I. Land Revenue, shows an improvement, compared with the Regular Estimates, of £934,500, but is still below the Original Estimates of 1876-77 by £441,400. Elsewhere than in *Madras* and *Bombay*, there is a small improvement of £3,300 compared with last year's Estimates: the loss, therefore, is entirely caused by the Famine, which is expected by the Local Governments to affect their Land Revenue adversely, in 1877-78, by £495,100. LAND REVENUE.

II. Tributes.—Compared with the present year's Original Estimates, the decrease is only £2,100, which is owing to the postponement of the Nawanagar Tribute in Bombay on account of the Famine. TRIBUTES.

III. Forest, shows a decrease of Revenue, compared with the Regular Estimates, of £32,800, and a decrease of charge amounting to £20,600: the decrease of Net Revenue is thus £12,200. It occurs in *Burmah*, where we cannot depend upon a continuance of the high Revenue of the present year. FORESTS.

IV. Excise.—The increase of Revenue (£74,200) is due partly to the arrangements made with Local Governments, which I shall presently describe, whereby an increase of £15,000 is guaranteed to the Imperial Treasury in *Bengal*, the *North-Western Provinces*, and *Oudh*; but chiefly to the expectation that the *Excise* Revenue will not suffer in 1877-78 from the Famine so much as it is expected to suffer in 1876-77: the increase compared with the Original Estimates of 1876-77 is only £36,700; which is not nearly equal to a full year's normal growth of the revenue under this Head. EXCISE.

VI. Customs.—The small increase of £17,700 is in *Burmah*, where the Revenue is, this year, unusually low, owing to the export of rice being late. CUSTOMS.

VII. Salt.—Following the usual custom, I do not propose to estimate any increase of *Salt* Revenue. SALT.

VIII. Opium.—The recent Estimates under this important Head have been for net round sums, as follows:— OPIUM.

	Millions.
1874-75	5½
1875-76	5¾
1876-77	6

The details of the Estimates have, in fact, been adjusted to the total Net Estimate, instead of the Estimate being based upon the details. The actual Net Revenue obtained in past years seems to me to justify the expectation that we shall receive at least (net) £6,250,000 in 1877-78; and I have entered this sum. I am aware that it is important to those engaged in the trade to know the number of chests of Bengal Opium that the Government intends to

Estimates, 1877-78.
Revenue.

sell in future; and that, at the present moment, a peculiar interest attaches to the intentions of the Government, owing to the large reserve of 35,315* chests which it already possesses, with the prospect of another good crop this year.

OPIUM RESERVE.

This reserve has been accumulated in the pursuit of a policy long ago deliberately adopted, the object of which was to enable the Government to make the supply of Bengal Opium to the market as far as possible steady, and independent of calamities of season. The great crop of 1876 has placed the Government in a position to obtain this object earlier than there was any reason to expect; and we have been, for some time past, engaged upon an enquiry what number of chests we can, hereafter, offer to the market without risk of failure and without objection in other ways. It has been, once again, satisfactorily ascertained by the independent testimony of the Revenue Officers, that the cultivation of the poppy is a source of prosperity to the agricultural population in Behar and the North-Western Provinces, and is popular with them, and that it does not tend to any objectionable consumption of the drug by them. But the enquiries necessary to enable the Government of India to determine its permanent policy are not quite completed; and I regret that I can say, at present, nothing more definite than that, in the calendar year 1878, the Government will certainly not sell less than 50,000, or more than 54,000 chests of Bengal opium. We shall not leave the market in uncertainty as to our intentions for a day longer than is absolutely necessary.

STAMPS.

IX. Stamps.—It is usual to estimate no increase under this Head, although a normal increase is to be expected: the increase of £32,400 which I enter to-day, is the consequence of the engagements with the Local Governments of *Bengal*, the *North-Western Provinces*, and *Oudh*, which I shall presently describe, and is guaranteed to the Imperial Treasury by these Governments.

MINT.

X. Mint.—The net revenue from the Mints is estimated to be about the same as this year, the decreased receipts being counterbalanced by decreased charges.

POST OFFICE.

XI. Post Office shows an increase of Revenue, £22,100, and a rather larger increase of charge, £30,600: this occurs in England, and is chiefly for the manufacture of the half-anna envelopes, the popularity of which is so great that we have been unable to supply the demand for them: the Government of India was aware that the concession of a labelled envelope for the price of the label only was a substantial reduction of the rate of postage: we may be well satisfied with the complete success of this measure, which will, I doubt not, eventually affect the revenue favorably.

TELEGRAPH.

XII. Telegraph.—The provision for this Service is £180,000 net: the Telegraph Department would have been very glad of a larger grant; but we could not, under the circumstances of the year, supply it: it has been arranged, however, that if the Revenue should, as is not improbable, grow during the year, the excess may be added to the grant for expenditure; in other words, we have made a quasi-contract with the Department for a net grant of £180,000 for the year.

GAIN BY EXCHANGE.

XIX. Gain by Exchange.—The decrease of £74,800 follows the decrease in the Revenue from the *Guaranteed Railways*, which I shall presently explain.

MISCELLANEOUS.

XX. Miscellaneous.—The Regular Estimate contains an item of £49,500 for premium on Government shares sold to the Bank of Bengal: this will not be repeated; sundry exceptional receipts in England also are not expected to recur: hence the decrease of £97,900 under this Head.

PUBLIC WORKS ORDINARY RECEIPTS.

Public Works Ordinary Receipts.—Of the increase (£65,400) £18,000 is in consequence of a contract to supply the Great Indian Peninsula Railway with 36,000 tons of coal from the Warora Colliery at Rs. 5 a ton. The rest is in Bombay, the Government of which Presidency has resumed for Provincial purposes certain tolls on roads estimated to yield £53,348, which have hitherto been recorded under Local Funds.

IRRIGATION REVENUE.

Irrigation.—The improvement of £50,900 under *Irrigation* is the ordinary growth of this source of Revenue.

---

* | | Chests.
---|---|---
Behar ... ... | 18,087
Benares ... ... | 17,228
TOTAL ... | 35,315

Provincial Contributions are expected to produce £415,100: of this, the sum of £374,700 is contributions from the Governments of Bengal (£274,700) and the North-Western Provinces (£100,000) in discharge of the responsibility which, as I shall presently explain, the Government of India is about to impose upon them for the interest on the capital expended on Extraordinary Public Works: the Balance (£40,400) is the estimated draft upon separate provincial Resources in support of the Services administered by the Local Governments. Estimates, 1877-78. *Revenue.* PROVINCIAL CONTRIBUTIONS.

Including a further grant of £25,000 to Burmah, *the Balances of the Local Governments* are expected to increase by the net sum of £69,100. BALANCES OF LOCAL GOVERNMENTS.

On the EXPENDITURE Side, the sum of £101,700 has been retrenched, as will presently be explained, from the Grants to be made over to the Governments of *Bengal*, the *North-Western Provinces*, and *Oudh*, for the additional Services to be entrusted to them. This retrenchment has been *pro formâ* thus shown in the Estimates; but the Local Government may redistribute it at their discretion— *Expenditure.* RETRENCHMENT FROM LOCAL GOVERNMENTS.

	Bengal.	N. W. Provinces.	Oudh.	TOTAL.
	£	£	£	£
Land Revenue	...	5,000	...	5,000
Law and Justice ...	10,000	5,000	...	15,000
Police	20,000	...	...	20,000
Education	4,000	...	...	4,000
Stationery and Printing ...	5,000	...	...	5,000
Public Works ...	20,000	9,400	...	29,400
Balances Decreased ...	...	16,000	7,300	23,300
TOTAL ...	59,000	35,400	7,300	101,700

Interest shows an increase of £235,800, which will be explained by the proposed loan operations of the year. INTEREST ON DEBT.

The satisfactory decrease of £26,500 under *Interest on other Accounts*, is owing to the relief obtained by the Treasury from the charge for interest upon the Guaranteed Railway Revenue Balances; the Government of India had never admitted the right of the Companies to this interest: Her Majesty's Government have acknowledged the force of the arguments used by the Government of India; and the Railway Companies have acquiesced in the withdrawal of the privilege. The charge was only real when the Companies earned surplus Revenue; in other cases, it went to swell the Net Traffic Earnings made over to the Government of India towards meeting the *Guaranteed Interest*, and so diminished the net charge upon the Revenues for that item; therefore, in its bearing upon the Estimates of the year, this saving must be taken in connection with the estimated charge for *Guaranteed Interest, less Net Traffic Receipts*, which must show some corresponding increase. The measure is, however, calculated to save at least £6,000 a year. INTEREST, OTHER ACCOUNTS.

3. Refunds and Drawbacks.—The Imperial portion of this Grant is always fixed at £300,000; the increase of £15,000 is the amount necessary to make up this sum. REFUNDS.

4. Land Revenue.—The decrease of £20,600 is owing to the completion of settlements, and the retrenchment of £5,000 in the North-Western Provinces. LAND REVENUE.

8. Salt.—The increase of £32,200 is nominal, the decrease in 1876-77 having been casual: it occurs chiefly in *Madras*, to provide for petty construction and repairs omitted this year. SALT.

14. Administration.—The decrease of £36,000 is estimated in the hope that the expenditure in 1876-77 may prove to have been abnormally high: the amalgamation of Oudh and the North-West Provinces has caused some saving under this Head. ADMINISTRATION.

15. Minor Departments.—The excess of £9,500 is for Chinchona operations in Darjeeling. MINOR DEPARTMENTS.

16. Law and Justice.—The excess of £37,300 would have been £52,300, but for the retrenchments in Bengal and the North-Western Provinces: the excess is to some extent balanced by excess receipts (£34,400): the remainder is for a large increase to the establishment of Law Officers in Bengal, the result of the recommendations of an influential Committee under the presidency of LAW AND JUSTICE.

Estimates, 1877-78.

Expenditure.

our colleague Sir Arthur Hobhouse, which recommendations have been approved by the Secretary of State for India.

POLICE. *17. Police.*—The decrease of £22,400 under *Police* is owing to the *pro formâ* exhibition under this Head of part of the retrenchment from the Government of Bengal: that Government may, possibly, effect the retrenchment in some other way.

MARINE. *18. Marine.*—There is a decrease of £21,700, which is partly counterbalanced by a decrease of £6,700 under Receipts.

EDUCATION. *19. Education.*—Including the grant for *Education* from Local Funds (net £274,000) the net expenditure on education is estimated at £913,400.

ECCLESIASTICAL. *20. Ecclesiastical.*—Adding the Grant under this Head in the *Army* Estimates, the total Grant for *Ecclesiastical Services* is £196,600.

MEDICAL. *21. Medical.*—The increase of £6,500 is almost entirely in the Provincial portion of this Grant, and does not, therefore, require explanation: adding the Grants for *Medical Services* in the *Army*, net £324,300, and, from Local Funds, net £93,500, the total estimated expenditure under this Head in 1877-78 is £1,016,400.

STATIONERY AND PRINTING. *22. Stationery and Printing.*—The excess of £49,000, notwithstanding the retrenchment of £5,000, is in the Provincial portion of the Grant; it is evident that the expenditure in 1876-77 has been unusually low.

POLITICAL AGENCIES. *23. Political Agencies.*—The expenditure connected with the assumption of the Imperial Title in 1876-77 explains the decrease of £137,100 in 1877-78. In the review of the Regular Estimates for the current year, in my separate Minute, I have shown that the total charges incurred throughout the whole of India on this account, under all heads, will probably not exceed £100,000: the exact net cost of the Delhi Assemblage cannot now be stated, but, according to an estimate lately made, it will be about £50,000: considering the great political importance of the event, I think that this expenditure was very moderate.

SUPERANNUATIONS. *26. Superannuations.*—The excess of £12,200 is for the most part in England, where the payments on account of the Military Funds and of the annuities of Covenanted Civil Servants are still increasing.

LOSS BY EXCHANGE. *27. Loss by Exchange.*—I have already said that the large diminution under this Head is connected with the loan operations of the year. The estimate here is that the Secretary of State will raise 12¼ millions Sterling by Bills for Rs. 13,85,00,000: any one can, of course, calculate that these figures involve an estimate that our Bills will yield 1*s.* 9·23*d.* the rupee; but it is uncertain how much will really be drawn; and the estimate is not intended to indicate that the Government expects that its remittances will be effected at any particular rate. Either by bills, or by borrowing, the Secretary of State must get £16,000,000 for the Home Treasury in 1877-78; and I cannot say, with certainty, how much he will raise by bills and how much by borrowing.

ADJUSTING RATE, 877-78. The rate for the adjustment of transactions with the Imperial Government and of furlough allowances and family remittances during the year is fixed at 1*s.* 9½*d.*

MISCELLANEOUS. *28. Miscellaneous.*—The expenditure on account of the visit of His Royal Highness the Prince of Wales, which is recorded in the Accounts of 187677, will be absent in 1877-78: this is the chief item of the decrease of £40,100 under this Head: the remainder is in the provincial portion of the Estimates.

FAMINE RELIEF. *Famine Relief*—Is expected to cost £486,000 less in 1877-78 than in 1876-77. I have given in my review of the Regular Estimates for 1876-77, in the Minute now before the Council, details showing the estimated charges for the famine in the current and in the coming year. The gross estimated cost is £3,735,400 in Madras and £1,809,700 in Bombay, making a total of £5,545,100, of which £2,209,100 is loss of revenue and excess cost of army supplies, and £3,336,000 is direct expenditure on measures of relief. Deducting the estimated addition to the earnings of the railways, consequent on the famine, the total estimated net cost of the famine is £5,250,000, of which £3,100,000 will fall on this year, and £2,150,000 on 1877-78.

THE ARMY. *The Army* shows no improvement in 1877-78 as compared with 1876-77; but, on the contrary, an increase of net charge amounting to £49,500. The other items in the Statement which I have explained in the review of the Regular Estimates for 1876-77, in the Minute now before the Council, are,

however, more favorable; and the true net cost of the Army, according to that Statement, will be £145,907 less in 1877-78 than in 1876-77. I have entered at some length in that Minute into the question of Army expenditure, and have shown how extremely serious the question is. Estimates, 1877-78. *Expenditure.*

Public Works Ordinary.—The decrease of £70,000, as will be apparent upon reference to the Table given in the review of the Regular Estimates, is partly nominal, and partly in the *Irrigation* Grant. PUBLIC WORKS ORDINARY.

The entire Grants for expenditure on Public Works in India during 1877-78 aggregate £11,489,774, as follows:— TOTAL GRANTS FOR PUBLIC WORKS.

	At Home.	In India.	Total, converting Pounds into Rupees at the average rate of exchange for the year.
	£	Rs.	Rs.
Public Works Ordinary ...	102,700	3,86,69,000	3,98,30,139
Less Receipts	18,100	18,14,000	20,18,641
Net ...	84,600	3,68,55,000	3,78,11,498
Net grant from Local Funds ...	...	1,37,57,000	1,37,57,000
Public Works Extraordinary ...	734,500	2,89,35,000	3,72,39,347
Guaranteed Railways; Current Account; as calculated in my separate Minute	...	1,39,24,964	1,39,24,964
Ditto Capital Expenditure ...	747,200	—12,83,000	71,64,934
Loans to Public Bodies... ...	...	50,00,000	50,00,000
Total			11,48,97,743

State Railways show a net improvement of £87,600, the Net Revenue of the year being estimated at £191,800, a satisfactory improvement: as I have shown in reviewing the Regular Estimates for 1876-77, the growth of the revenue from these lines is highly encouraging. STATE RAILWAYS.

Land and Supervision.—Decrease, £13,200: this item must now diminish as the Guaranteed Railways approach completion: but the charge for Supervision alone is upwards of £50,000. LAND AND SUPERVISION.

The *Guaranteed Interest* payable by the Government is expected to increase by £580,700, and the Gain by Exchange to diminish by £74,300; altogether the Estimate for 1877-78 shows a burden of £610,700 in excess of that of 1876-77. The true burden is, as I have shown in my remarks upon the Regular Estimates, £1,392,496, and the true excess, owing to a more favorable estimate of exchange, only £443,260. Some portion of the decrease of the Net Traffic Earnings is nominal: the half-yearly Accounts of the Railway Companies are made up on the 30th June and 31st December, when any surplus found due to the Companies is paid to them: but the Finance and Revenue Accounts of the Government of India do not, in this respect, follow the contracts, but record the transactions of the financial year: thus the Estimates which I have presented for 1876-77 include all the earnings of the Railways to the 31st March 1877. Moreover, it takes some time to complete and audit the Accounts of the Railway Companies and to send them to England; and the surplus due to the Companies is not paid until they have been examined and accepted there. Thus it happens that the large surplus of £400,000 due to the Railway Companies in respect to the period embraced in our Regular Estimates will not be paid till next year, when it will appear in reduction of the Net Traffic Receipts recorded in the Finance Accounts of that year. The surplus payments recorded in the Finance Accounts in 1876-77 are estimated at £299,400, so that the Estimates of 1877-78 are adversely affected by this item to the extent of £100,600. GUARANTEED RAILWAY, &c. INTEREST.

I beg to call the special attention of the Council and of the public to the facts and figures regarding these railways which are given in the review of the Regular Estimates for 1876-77 in my separate Minute; I will not repeat them here; but they possess the highest importance and interest; the increase in the traffic, the decrease in the working expenses, and the diminution of the burden imposed on the Revenues of the Empire, are most satisfactory; and I look upon the progress of these Railways as one of the most hopeful and important facts connected with the future of our finances.

Estimates, 1877-78. *Expenditure.*

The Delhi Assemblage is estimated to have added a sum of £90,000 to the Net Traffic Earnings of 1876-77, and lastly, the chief part of the Famine Traffic will, it is believed, fall into 1876-77.

PUBLIC WORKS EXTRAORDINARY.

Public Works Extraordinary.—The Grant is £3,628,0000, of which £128,000 is to cover a payment at Home postponed from 1876-77 to 1877-78: the effective Grant is thus only 3½ millions, of which £2,728,000 is for Railways, and £900,000 for Canals. We are most anxious not to check the progress of these beneficial works, and we shall be glad to grant a little more money in the course of the year, if we find ourselves in a position to do so. Of the present Grant of £3,628,000, £1,206,300 is for expenditure on the *Punjab Northern* and *Indus Valley* State Railways. There will still remain the sum of £1,487,800 to be spent before these Railways, which are not reproductive works (although we hope to reap a small revenue from them) are completed. The programme of State Railway construction operations during the year is as follows:—

	£		£
Rajputana line ...	150,000	Northern Bengal ...	290,300
Western Rajputana ...	100,000	Tirhoot	95,600
Neemuch	196,000	Rangoon	158,500
Holkar	100,000	Punjab Northern ...	272,500
Warda Valley ...	22,700	Indus Valley	933,800
Sindhia	205,400		

I am very glad that the Government is at last able to commence the important work of connecting the lines from Northern India and Rajputana with those of the Bombay Presidency, by Ahmedabad and Neemuch; and I trust that it may be found possible to push the work forward rapidly to completion.

IRRIGATION WORKS.

The total grant for Irrigation Works in 1877-78 is as follows:—

Grant, 1877-78.

	£
Ordinary	900,600
Extraordinary	900,000
TOTAL ...	1,800,600

Of the Ordinary grant £143,808 is to be spent on Works, £401,579 on Repairs, £342,292 on Maintenance, Conservancy Establishment, and Establishment for collection of revenue, and the balance on tools and plant and State expenditure on guaranteed Irrigation Works. The Extraordinary expenditure (£900,000) is to be incurred principally on the following projects:—

	£		£
Sirhind Canal ...	140,900	Sone	191,000
Western Jumna ...	74,900	Orissa	63,400
Baree Doab ...	24,800	Midnapore ...	20,500
Swat River ...	30,500	Godavery Deltas ...	28,600
Ganges	80,000	Kistna Deltas ...	14,800
Agra	10,000	Moota Canal ...	31,900
Lower Ganges ...	170,000		

Ways and Means, 1877-78.

I have now to explain the *Ways* and *Means* whereby it is proposed to make provision for the service of the year 1877-78; in doing so, I must invite attention to the Abstract Tables in the right-hand corner at foot of Statements IV, V, and VI, which contain the figures of which I have now to speak.

LIABILITIES.

I have stated that the Expenditure of the year is expected to exceed the Revenue by the sum of £4,249,700; £283,300 must be provided from the remaining Balances of the Military Funds to supply the difference between the subscriptions to the Funds recorded under XVIII, *Receipts in aid of Superannuation Allowances*, and the payments to the beneficiaries of the extinct Funds for which the State is now liable: £500,000 is required for *Loans to Native States and Public Bodies*, such as Municipal Corporations, Port Trusts, and the like: the *Guaranteed Railway Companies* will draw upon us for £618,900.

It is expected that the Balances of these Companies in our Treasuries on the 31st March will be only £421,000: it is satisfactory to observe that we now owe the Companies little; and that, in the course of a few months, we shall owe them nothing.

The *Deposit and Remittance Accounts* are estimated to result in the net withdrawal of £470,900 from the Public Treasury.

PUBLIC BALANCES.

Lastly, we want the sum of £823,400 in order to raise our Balances to the lowest amount necessary for carrying on the service of the year. The Government of India is not responsible for the management of the Home Treasury by the Secretary of State in Council; but I remark that the transactions of that Treasury during the year are expected to end in a reduction of the Secretary of State's Balances by £136,900, leaving them at only £1,011,200. With reference to the large transactions of the Home Treasury (aggregating £34,000,000 a year), and to past experience, this amount cannot but be considered moderate.

THEIR PROPER AMOUNT IN INDIA.

The amount of the working balance that the Government of India ought to have at its credit or in its treasuries in India at the beginning of the financial year, has been the subject of frequent discussion: like the balances which any private individual keeps ready at his command, the amount which the Government of India requires must obviously depend upon the sum of its transactions and upon their geographical distribution, and upon various other considerations: if transactions are concentrated in one or two treasuries, a much smaller aggregate working balance will suffice than if they are spread over a multitude of treasuries scattered over vast distances.

The following Statement of the public Receipts and Disbursements since 1869-70 will be useful in an investigation of the proper amount of the working balance of the Government of India:—

Receipts and Disbursements at the Treasuries of the Government of India at Home and in India.

	Receipts.			Disbursements.			Balances at close of the year.		
	England.	India.	Total, assuming £1=Rs. 10.	England.	India.	Total, assuming £1 = Rs. 10.	England.	India.	Total, assuming £1 = Rs. 10.
	£	Rs.	Rs.	£	Rs.	Rs.	£	Rs.	Rs.
1869-70 ...	17,621,622	90,39,62,790	107,92,30,920	17,755,320	86,54,16,280	104,29,62,480	2,892,483	13,94,04,510	16,88,29,340
1870-71 ...	19,473,577	99,63,89,680	119,16,25,450	19,060,038	96,81,06,760	115,87,07,640	3,305,972	16,81,87,430	20,12,47,150
1871-72 ...	15,740,339	118,45,72,750	134,19,76,140	16,225,220	113,27,83,030	129,50,35,230	2,821,091	21,99,77,150	24,81,88,060
1872-73 ...	15,712,672	107,36,39,160	123,07,65,880	15,535,319	110,57,39,380	126,10,92,570	2,998,444	18,78,76,930	21,78,61,370
1873-74 ...	16,121,080	105,99,65,300	121,20,76,200	17,105,896	109,84,07,810	126,94,66,770	2,013,638	14,03,34,420	16,04,70,300
1874-75 ...	17,194,897	106,35,17,120	123,54,66 090	16,412,165	105,20,73,400	121,61,95,050	2,796,370	15,17,78,140	17,97,41,940
1875-76 ...	15,693,341	103,05,46,282	118,74,79,702	17,569,812	101,27,99,495	118,84,97,615	919,899	16,95,24,940	17,87,23,930
1876-77 ...	19,168,300	99,50,32,000	118,66,95,000	18,938,100	104,91,60,000	123,85,41,000	1,148,103	11,97,000	12,93,78,000
1877-78 ...	16,851,100	101,33,53,000	118,18,69,000	16,988,000	100,37,55,000	117,36,35,000	1,011,200	12,50,00,000	13,51,12,000

No. OF TREASURIES.

There are in India 233 treasuries, besides 1,048 revenue sub-divisions of districts, at many of which there is some kind of a treasury, and besides outlying treasure-chests.

LAND REVENUE ACCRUES IRREGULARLY.

A preponderating share of the land revenue is received in India in the spring; but the expenditure and the bills of the Home Government go on, more or less evenly, all the year round: the result of this peculiarity is that the balances of the Government in India, if not recruited by loans, or sustained by interruptions of the Secretary of State's drafts, subside rapidly from about June, till they reach their lowest point about the end of October, the balances at the end of which month may be expected to fall at least £3,000,000 below the balances at the end of March.

Having regard to the magnitude of the transactions at our Public Treasuries, (aggregating upwards of £200,000,000 a year), the vast extent of the territories administered by the Government of India, the numerous separate receptacles of public money scattered over the country, and the unequal distribution of the revenues over the year; remembering also the liability of the Government of India to sudden demands upon its treasury for war, famine, or other public necessities, and the scanty resources of the Indian money market, Lord

Ways and Means, 1877-78.

Northbrook's Government determined, a year ago, that it was only prudent to provide for balances at the end of the year aggregating £13,500,000 for ordinary purposes, besides a reserve which Lord Northbrook thought should be substantial: but, under the present financial pressure, we must put up with the inconvenience of a smaller balance, and I propose, therefore, to provide for a closing balance of only £12,500,000. Enquiries are now in progress as to the smallest working balance necessary in each Province: when these investigations are completed, and further experience is gained of the working of the Reserve Treasury, the Government of India will be in a position once more to consider what is the proper amount of balance, altogether, to provide at the beginning of each financial year.

CHARACTER OF PUBLIC BALANCES.

Before leaving the subject of the balances of the Government of India, I wish to make a few remarks upon some of the misapprehensions that often prevail concerning them. Some people seem to suppose that the Government of India can spend money from the public balances without entering the transactions in the Public Accounts, and that these balances are a mysterious hoard from which we can help ourselves without the inconvenience of justifying or explaining our proceedings: others have gone the length of gravely proposing that the Government of India should credit its balances, or a slice of them, as revenue.

But there is really no mystery at all about these balances, which do not differ in character from the balances at credit of any private individual: not a rupee of public money can be spent, or is spent, which does not come from the public balances; and not a rupee can be taken from these balances without the fact being recorded and brought to account. The plain truth is, that the Accounts and Estimates which it is my duty to review and explain to-day, exist only for the purpose of recording what money has passed, or is expected to pass, into and out of these balances, and to explain and justify every addition to, and every reduction of, these balances: if the disbursements recorded in the Accounts of the year exceed the receipts, the balances are reduced; if the receipts exceed the disbursements, the balances are increased. Thus, by submitting to a reduction of the public balances, the Government of Lord Northbrook was able to pay some part of the cost of the Bengal famine, without borrowing; but this did not enable the Government to keep a single item of the expenditure out of the Public Accounts: it seems almost absurd that I should gravely say this; but the strange misconceptions that often appear seemed to demand some such explanation.

TOTAL LIABILITIES.

Our liabilities in excess of the produce of our revenues aggregate £6,946,200.

ASSETS.

Of this sum we expect to receive £81,000 from the *Civil Service Funds*, £50,000 from *Savings Bank Deposits*, £139,700 *Surplus of Local Revenues*, and £175,500 from certain other deposits called *Sundry Obligations*, which include the Nizámat Stipend Fund, the Bahu Begam's Stipend Fund, and certain Guaranteed Railway Funds.

AMOUNT TO BE BORROWED.

The balance is £6,500,000, and this is the net sum which I now estimate that we may have to borrow in the course of the year. I do not forget that the ten year debentures of 1867, the outstanding balance of which amounts to £458,100, are due and payable on the 1st June 1877; but I am not yet prepared to make any special announcement regarding them.

Of the net sum of £6,500,000 which the Government thus estimates that it may have to borrow in the course of the year, £250,000 is expected from His Highness the Maháráját Sindhiá for the Gwalior Railway: our present hypothesis is that of the residue, 3¾ millions sterling will be borrowed by the Secretary of State in England and 2½ millions in India.

But I must here give an important warning: upon the face of the Statements Nos. IV, V, and VI will be found, for the first time, the following note—

GOVERNMENT CANNOT PLEDGE ITSELF IN REGARD TO LOAN OPERATIONS.

The estimates in this Statement of the amounts to be borrowed, and to be supplied to the Home Treasury by bills in 1877-78, are the best that can now be made; but they are subject to modification as the year goes on; the Government must not be understood to pledge itself that the Secretary of State in Council will raise by bills the exact amount stated; or that the exact amount stated will be borrowed during the year; or that it will be borrowed in India or in England, as the case may be.

Ways and Means, 1877-78.

This note is added under instructions from the Secretary of State. In order to make these *Estimates of Ways and Means* for the Service of the coming year, it is necessary to set down the amount that it is proposed to borrow, and to frame a hypothesis whether the money will be borrowed in India or in England: but the Government of India is not authorised to commit the Secretary of State to borrow or not to borrow any particular sum during the year: and it is not usually possible to communicate the prospects of the year to the Secretary of State with sufficient fullness to enable him to decide, finally, upon the proposals of the Government of India.

These important Statements must, therefore, be understood henceforth to be, so far as prospective loan operations are involved, only provisional forecasts; and must not be held in any way to commit the Government of India or the Secretary of State to borrow for the service of the year, either the particular sum set down, or in particular proportions in India and England.

GOVERNMENT OF INDIA CANNOT ANSWER FOR PARLIAMENT OR SECRETARY OF STATE.

Moreover, the Secretary of State for India can borrow no money in London without first obtaining authority from Parliament: and at the present moment he has no such authority, having exhausted the statutory powers granted to him on the occasion of the Bengal Famine. It is obviously quite impossible for the Government of India to say that Parliament will authorise the Secretary of State to borrow more money in London; and the Government of India is not even at liberty to pledge the Secretary of State to make application to Parliament for fresh powers to borrow. What I have said, therefore, must be distinctly understood as expressing only the views and intentions of the Government of India, and must not be construed as implicating the Secretary of State, or pledging him to any course of action. I am afraid that this will not be considered altogether satisfactory; but the Government of India is not now in a position to state more definitely how provision will be made for the service of the year.

IMPORTANCE OF BORROWING IN INDIA

The Government of India is fully alive to the importance of satisfying its requirements in India without resorting to the London market more than is absolutely necessary; and if, in the course of the year, circumstances should favor such an arrangement, and the Government of India is in a position to act upon its own judgment, a larger share of the whole amount than £2,500,000 may be offered to the market in India. On the other hand, the Governor General in Council will not, so far as the decision rests with him, submit to any unreasonable terms; and, if the conditions acceptable to the money market in India should appear too unfavorable, he will not hesitate to recommend to the Secretary of State to endeavour to obtain power to borrow in England as much more than 3¾ millions sterling as is found to be really wanted.

IF REASONABLE TERMS CAN BE OBTAINED.

COUNCIL BILLS.

Supposing that the Secretary of State borrows 3¾ millions sterling in England, it will be necessary for him to raise by bills upon India 12¼ millions sterling. To effect this, it is calculated that he must sell bills for about 26½ lakhs of rupees a week throughout the year: the Government of India is accordingly authorised to announce that bills for 26½ lakhs of rupees will, according to present intentions, be offered for sale, weekly, during April and May.

Seven years' Accounts.

REVIEW OF SEVEN YEARS' ACCOUNTS.

I will begin what I have now to say to the Council with a brief review of the results of the financial administration of the last seven years, ending with 1875-76, the last year for which the Accounts are completed. I think that this will be useful in enabling us to form a correct judgment of our present position; and the period which I have taken is a convenient one, because, while it was one of general peace and prosperity, a serious famine occurred in it, and a large expenditure took place on unremunerative public works: the results of the seven years may be fairly assumed to contain few elements of a specially abnormal character. In saying this I do not forget the great expenditure on the Bengal famine; but, on the other hand, it must be remarked that, since this period of seven years closed, we have already to meet another famine which will not cost much less; nor have we any right to assume that we shall escape more easily in future.

NET RESULTS.

The gross revenues during the seven years ending with 1875-76 aggregated £357,573,100, and the total expenditure amounted to £370,555,000. Thus the expenditure exceeded the revenues by £12,981,900.

Seven years' Accounts.

During the seven years the sum of £19,654,000 was spent upon works classified as extraordinary, and £6,500,000 was spent from the imperial revenues, on the relief of the famine in Bengal.

EXAMINED.

Out of the sum spent on Extraordinary Public Works, £4,771,000 was expended on the construction of the Punjab Northern and Indus Valley State Railways. These railways belong to a class of works of which I shall again speak; they were not undertaken as reproductive works; and, although it is anticipated that they may yield a net return of 2 per cent. on their capital cost, I shall, in a review which I wish to be severe, exclude their cost from the extraordinary head of account, and treat it, as I think strictly speaking it ought to have been treated from the first, as ordinary expenditure. This correction will leave the sum of £14,883,700 as fairly representing extraordinary expenditure on reproductive public works; and, if there had been no famine, we should have been able to pay for the whole of these unremunerative works, and there would have been a surplus in the seven years, according to the Accounts as they are now constructed, of £8,401,700.

But, in order to obtain a true conception of the financial results of the seven years, some further adjustments are necessary; included in the Gross Revenues is the sum of £2,443,300 transferred from the Book Capital of the extinct Military Funds: great doubts are felt whether it is right to reckon these transfers as Revenue at all, unless, indeed, interest be charged *per contra* as if the Funds were still in existence; and, for my present purpose, I prefer to exclude them. I will also exclude the sum of £986,900 by which the financial results of the seven years are estimated to appear better than they really are, owing to the peculiar mode in which the sterling transactions of the Home Treasury are combined with the rupee transactions of the Indian Treasuries.

If these two disturbing causes be eliminated, the true financial result of the seven years, including the cost of unremunerative public works, and excluding the cost of famine relief, would be a surplus of £4,971,500. But it has to be remembered that during the same period, the income tax, which has ceased to be one of our sources of revenue, yielded, net, £4,364,900: if, therefore, there had been no income tax, there would have been a surplus of £606,500, after meeting the charges for unremunerative public works, but excluding the charges for famine.

Another consideration favourable to the finance of these seven years deserves mention: we accumulated a reserve stock of 35,315 chests of Bengal opium, the cost of which will be recovered in future years, with the profit or revenue yielded at auction: the cost of these 35,315 chests may be reckoned at £1,412,600, of which about £850,000 is included in the recorded expenditure of 1869 to 1876.

On the other hand, a substantial benefit accrued to the revenues upon the redemption, on the 30th April 1874, of the capital stock of the East India Company. The Sinking Fund created by Act 3 and 4, William IV, Cap. 85, Sec. 12, amounted, on that date, to £7,876,439, and its appropriation towards the redemption of the stock relieved the Revenues from the payment of about £315,000 a year.

Upon the whole, it may be said that this retrospect is satisfactory. From the 1st April 1869 to the 31st March 1876, not only was no addition made to the debt of the country, except for reproductive works, but a substantial portion of the money invested for these works was really provided from current revenue.

DETAILS.

If we look at details, we shall find further encouragement: the growth of the Net Revenue under its main Heads was as follows:—

NET REVENUE.

	1869-70.	1875-76.	Improvement.
	£	£	£
Land Revenue ...	*19,603,000*	*20,142,800*	*539,800*
Excise ...	*1,997,100*	*2,407,000*	*409,900*
Customs ...	*2,167,200*	*2,470,000*	*302,800*
Salt ...	*5,463,000*	*5,702,200*	*239,200*
Stamps ...	*2,224,900*	*2,692,400*	*467,500*
Opium ...	*6,130,900*	*6,252,000*	*121,100*
Total ...	*37,586,100*	*39,666,400*	*2,080,300*

The Net Yearly Imperial Expenditure during the same period was as follows:— Seven years' Accounts.

	Civil, except Famine Relief.	Famine Relief.	Military.	Grand Total.	Total, excluding Famine Relief.	Total, excluding *Loss by Exchange*.	
	£	£	£	£	£	£	
1869-70	...23,242,400	...	15,250,800	38,493,200	38,493,200	38,314,000	NET EXPENDITURE.
1870-71	...23,246,200	...	15,119,400	38,365,600	38,365,600	37,797,800	
1871-72	...22,178,000	...	14,733,700	36,911,700	36,911,700	36,515,700	
1872-73	...23,797,000	...	14,596,800	38,393,800	38,393,800	37,628,700	
1873-74	...22,494,100	3,864,700	14,217,400	40,576,200	36,711,500	35,725,000	
1874-75	...22,258,800	2,237,900	14,386,400	38,883,100	36,645,200	35,747,300	
1875-76	...23,226,400	508,500	14,262,900	37,997,800	37,489,300	36,059,600	

Thus the net revenue increased during the seven years by more than £2,000,000, or at the average rate of nearly £300,000 a year, while the net expenditure, excluding famine relief, showed no tendency to increase at all, and was actually less in 1875-76 than in 1869-70. Excluding also *Loss by Exchange*, an element which may be said to be practically altogether beyond our control, the net expenditure in 1875-76 was less than the net expenditure in 1869-70, by £2,254,400, of which about £1,000,000 was in the Army, and the rest in the Civil Department: I wish to call special attention to this fact, for it is very important and very encouraging, and reflects great credit on the past administration of our finances.

Notwithstanding the large amount borrowed during this period, the net charge for *Interest* rose only from Rs. 4,60,67,220 in 1869-70, to Rs. 4,61,69,190 in 1875-76. This favourable result is due to the redemption of the East India Company's Stock already explained; to various successful operations for the reduction of the rate of interest on our Loans; and to the progress of the investment of the Reserve of the Paper Currency Department.

I think that the facts and figures which I have given for these seven years* show that the finances were administered during this period with great care, economy, and success: I look upon them as highly honourable to the Governments Lord Mayo and Lord Northbrook, and to my predecessors Sir Richard Temple and Sir William Muir: nor must I omit to give due credit to Mr. Chapman, who, during the whole of this period, was Financial Secretary, and who, fortunately for the Government and for me, still holds that post. It is not now my object to enter into a detailed review of the Financial Administration of past years; but if I were to do so, I might say much more to show the extreme care with which it has been directed. It must be remembered, also, that during this period considerable reductions in taxation were effected; besides the abolition of the Income Tax, which for my own part I regret, the Customs Tariff was revised, and some of its most objectionable features removed: a great portion of the duties on exports have been swept away; the general rate of import duty has been reduced from 7½ to 5 per cent.; and the whole of the tariff valuations have been carefully corrected. GENERAL RESULT.

It is no doubt very encouraging to find that since 1869-70 we should have paid our way so well: we must not, however, deceive ourselves into supposing that the facts which I have stated prove that the Finances are in a condition which leaves nothing to be desired: it ought clearly to be understood that, if such charges as those for famine and for unremunerative public works cannot be provided out of the ordinary revenues, the state of our finances must be unsound. Present Financial Condition.

* The following abstract shows how Ways and Means were provided for the Public Service during these seven years. It will be seen that besides the *Deficit of Imperial Revenue*, Rs. 12,98,20,550, we had to find Rs. 1,52,03,280 for the several *Service Funds*, Rs. 5,20,04,100 for *Loans to Native States and Public Bodies* (including Rs. 2,01,27,802 for the purchase from the Bombay Port Trust of the Elphinstone Company's Property), and Rs. 1,66,20,930 for the *Guaranteed Railways*. Moreover, we raised the *Balances in our Treasuries at Home* and in *India* from Rs. 13,20,17,840 by Rs. 4,67,06,090 to Rs. 17,87,23,930. Thus altogether our obligations in excess of our Revenues amounted to Rs. 26,03,54,950. Of this amount, the *Surplus of Provincial and Local Revenues* yielded Rs. 51,96,530. *Savings Bank Deposits* supplied Rs. 88,28,280; the net result of the *Deposit* and *Remittance* transactions was in our favour by Rs. 1,79,07,790 (chiefly repayments by Her Majesty's Government of advances made in India for the Abyssinian Expedition), and we borrowed Rs. 22,84,22,350.

Abstract of Ways and Means Account, 1869—76.

	Rs.		Rs.
Surplus of Provincial and Local Revenues ...	51,96,530	*Deficit of Imperial Revenues* ...	12,98,20,550
Savings Banks Deposits	88,28,280	*Balance of transactions with Service Funds*	1,52,03,280
Balance of Deposit and Remittance Accounts	1,79,07,790	*Loans to Native States and Public Bodies*	5,20,04,100
Borrowed	22,84,22,350	*Guaranteed Railway Capital withdrawn*...	1,66,20,930
		Balances in Treasuries increased ...	4,67,06,090
	26,03,54,950		26,03,54,950

Present Financial Condition.

These questions are so serious that I wish to refer to them before going further; for, unless we have clear conceptions regarding them, it will be impossible to understand what our financial position really is.

FAMINE AN ORDINARY CHARGE.

It cannot be too distinctly stated that charges for the relief of famine must be looked upon as ordinary charges; they are so shown in the Accounts of the present year, and in the Estimates now before the Council; and they were shown in the same way for the Bengal famine by the Government of Lord Northbrook. In the Financial Statement for 1874-75, Lord Northbrook showed very clearly that, whatever means we may take to obviate or mitigate these calamities, famines cannot, under present circumstances, be looked upon as occurrences of an extraordinary character; he said that, in the ten years which had elapsed before 1874, there had been three serious famines in India—the Orissa famine in 1866, the famine in Northern India in 1869, and the famine in Behar in 1874. We have now, unhappily, to add a fourth to the list, that from which a vast tract of country is now suffering, and which will, I fear, prove a not less serious calamity than those which preceded it. Such being the facts with which we have to deal, we cannot, as Lord Northbrook stated, safely depend upon loans for meeting the charges on account of famine. "It is necessary," he said, "that, besides a fair surplus of income over ordinary expenditure, such a margin should be provided, in addition, in ordinary times, as shall constitute a reasonable provision for meeting occasional expenditure upon famines:" if this condition, he said, were fulfilled, and a sufficient surplus secured in years of prosperity, deficit might be endured with less objection in occasional years of adversity. The Government of India, it was stated, had, therefore, resolved to use its best endeavours to maintain for the future a considerable surplus of income over ordinary expenditure, and thus to make provision beforehand for any calls which were likely to arise on account of famines. This resolution on the part of the Government was undoubtedly wise; but, since the charges for unremunerative public works cannot rightly be excluded, the conditions laid down in 1875 have not, in my judgment, been fulfilled: and considering that we have lost the income tax, it is impossible to anticipate that they will be fulfilled in future, unless we take some further steps for ensuring a larger surplus of income over ordinary expenditure.

NO UNREMUNERATIVE PUBLIC WORKS SHOULD BE EXTRAORDINARY.

I must now mention the other great Head of expenditure regarding which, if we wish to form a correct idea of our real financial position, it is essential that there should be no misunderstanding: I refer to those great public works undertaken to meet the political and military necessities of the empire, but which are not expected to be directly remunerative.

As an illustration of the kind of works to which I now refer, I will take the railways already mentioned, which are under construction in the Punjab and on the Sindh Frontier: these works will doubtless be very beneficial to the country through which they pass; but they are not undertaken on such grounds as this, but because they are considered, for political and military reasons, to be essential to the service of the Empire; there is no profession that they will be directly remunerative; and, if we have borrowed money for them, we have done so simply because it was held impossible to construct them in any other way; such works cannot properly be called Extraordinary in the technical sense in which we now use that term. They differ only in magnitude, and not in kind, from the works which we pay for out of the ordinary revenues, such as barracks, or fortifications, or other works which involve a heavy outlay and give no direct return. I am afraid that it can hardly be denied that the system which has hitherto been followed, under which these necessary, but not directly remunerative works have been mixed up with works which we expect to be directly profitable, has tended to make us less chary in spending money, than we should have been if the expenditure had been shown, as the famine expenditure is shown, among the ordinary charges of the year: our public Accounts ought to give a complete statement of the actual facts of our financial position, with no reservations or evasions, however unpleasant the appearance of the facts may be.

I wish it had now been practicable to remove altogether from the Extraordinary head of account all the works of the class which I have

Present Financial Condition.

been describing: it has, however, been decided that we cannot now do this, and that we had better not attempt to correct past errors of classification: for the future, it has been resolved, in communication with the Secretary of State, that no work shall, under any circumstances, be classed as Extraordinary, unless we are satisfied that it will yield a net income sufficient to cover the interest upon its capital cost: it has also been decided, in respect to future works, that, if a work has been classed as Extraordinary, and it be ascertained, subsequently, that the estimates of profit were fallacious, any further expenditure upon it shall not be treated as Extraordinary, but entered among the ordinary charges. I think, for my own part, that there is very much to be said in favour of the view that we might, with propriety, go much further, and do away with all distinction between Ordinary and Extraordinary expenditure: this would involve no change in our policy; we should still borrow money for useful works; and, although our Budget Statements might usually close with the announcement of a deficit instead of a surplus, and would have a less agreeable appearance, the deficits would have no more real or serious existence than they have now: this, however, is a matter which I need not now discuss: the decision which I have now stated, and on which the Government is resolved to act, will, at any rate, place matters on a sounder basis in future.

Larger margin of surplus wanted.

The figures which I have given show that, during the past seven years, we should have just managed, after meeting all charges for unremunerative Public Works, to bring our expenditure within our income, if there had been no income-tax and no famine: but we cannot omit famine from our calculations; and we have now no income-tax: it therefore follows, judging by the experience of these seven years, that our ordinary revenues are just sufficient to meet all ordinary charges excepting those for the relief of famine, for which we may consider that no provision is now made: I think that the estimates of the current and coming years tend to confirm this general conclusion.

What, therefore, we now have to do, is to establish a sufficient margin of annual income over ordinary expenditure, to enable us to meet with certainty not only the charges for famine relief, according to the principle laid down by Lord Northbrook, and charges for unremunerative public works, but for other demands which cannot be foreseen, but which will inevitably occur: this is the more important because, in India, we have, under present circumstances, almost no means, such as those which can always be applied in England for temporarily increasing the public income to meet a temporary necessity.

Fiscal reforms urgently wanted.

Our financial position also requires improvement to enable us to carry out measures necessary for the regular progress and better administration of the country: there are administrative improvements which are very necessary; and, above all, there are urgent fiscal reforms, closely affecting the economical and commercial interests of India, which, for want of means, have hitherto been hardly touched. It is easy to give illustrations of my meaning: there are the duties on cotton goods, of which I shall have to speak again; and, independently of them, I do not think that any one will maintain that our Customs Tariff is in a satisfactory condition. Then, there are the Inland Sugar duties, to which also I shall refer again presently: six years ago I heard them called, in this Council, the most discreditable relic of the dark ages of taxation that exists in India: every one agrees in this judgment; but the Sugar duties still exist. Take, again, the system under which we levy our Salt revenue in Northern India: no one denies that it is a positive disgrace to a civilized Government; but it remains unaltered. The time is perhaps hardly come for talking of the repayment of debt as a practical object to be aimed at, or for hoping that we may be able to dispense with borrowing even for reproductive public works: for works which are not reproductive we ought not, except under the pressure of extreme necessity, to borrow a sixpence: the increase of debt is so serious an evil, that we must strive to reduce our borrowing to a minimum even for remunerative works, and provide as much money as possible for them from ordinary revenues; so always that we do not allow this determination to check the progress of necessary great works of public improvement, or to interfere with the execution of great fiscal reforms such as those which I have mentioned.

Present Financial Condition.

There is another matter which obviously has a most important bearing on this subject—the question of the future value of silver: I am afraid that we cannot, with any confidence, expect to avoid serious loss hereafter from disturbances in the relative values of the precious metals; and no one can now measure the future deranging effect upon our finances of these disturbances. In connection with this subject, I must mention the great importance of sparing no efforts to prevent the increase of the sum which we have to pay annually in England in gold. I have referred to this subject in my separate Minute, and have said that, although I do not now wish to give opinions in regard to the measures, if any, which ought to be adopted, the subject is receiving, and will continue to receive, all the attention which the Government can give it.

UNCERTAINTY OF VALUE OF SILVER.

In asserting that our financial position must be improved, I by no means desire to see the improvement pushed to an extreme: I wish for no such surplus of income over expenditure as would involve the necessity of imposing heavy burdens on the country or might tempt the Government to launch out into extravagancies: I ask, only, for such a reasonable margin on the right side of the account, as will enable us to pay our way honestly, to avoid increasing the burden of debt, and to carry out, at a reasonable and moderate rate, necessary measures of administrative and economical progress.

DESIRED IMPROVEMENT CANNOT BE EFFECTED THIS YEAR.

Now it is certain that we cannot bring about in the coming year any such improvement as I desire: with famine in a large part of India it is obvious that no time could be so inopportune as the present, not only for imposing fresh burdens on the people who are suffering, but even for measures involving serious administrative changes: we could not, at such a time as this, ask the Governments of Madras or Bombay even to undertake the examination of new financial schemes: all that we can now attempt is to lay down, as fully as we can, the principles by which the Government of India intends to be guided, and to take such steps as may be practicable for carrying out our programme in those provinces which are in a prosperous condition.

The only means by which the necessary improvement in our financial position can be gained are fresh taxation, or reduction of expenditure, or increased productiveness of existing sources of revenue, or a combination of these means.

NO NEW IMPERIAL TAXATION.

It will be understood, from what I have already said, that I have no measures to propose at present for the imposition of any general taxation: it may be a cause of special relief to some of my audience to learn that the rumours which we have heard from time to time about the re-imposition of an income-tax have no foundation. As to the income-tax, I freely confess that I regretted its disappearance; but there has been no thought of restoring it. The Government is obliged to propose some other taxation, of which I shall speak further on.

PROVINCIAL TAXATION.

REDUCTION OF EXPENDITURE.

In regard to reduction of expenditure, the only head under which there has, lately, been any serious increase of charge is the Army; I have mentioned this in the Minute now before the Council as a cause of grave anxiety, over which the Government of India has comparatively little control: in regard to the possibility of future reductions of Military Expenditure, all I can say is that the Government of India will do everything that it properly can do to effect them. It is only in the great Imperial Services that we can now hope to see much done in this direction; for there is comparatively little room for saving on the ordinary charges of the Civil Administration carried on, for the most part, by the Local Governments: we have, however, every reason to believe that, under the system of provincial assignments established in 1871, and which we are now further developing, these charges will bring no fresh burdens in future on the Imperial Treasury; and the actual reductions of Imperial Expenditure, for which we are able to take credit in our Estimates for the coming year, in consequence of the extension of that system, are, as I shall presently show, not unimportant.

MILITARY EXPENDITURE.

IMPROVEMENT OF EXISTING REVENUES.

I believe that much may be done to increase the productiveness of existing sources of income, and I will explain the measures by which the Government hopes that this may be effected.

We all remember the schemes which a great Englishman put forth, some twenty years ago, for the better government of India. He told us, with an

eloquence which he alone possesses, of the folly of supposing that so vast a country, with its twenty different nations and its twenty languages, could ever be bound up into a single State. "What you want," he said, "is to decentralize your Government: what would be thought if the whole of Europe were under one Governor who knew only the language of the Feejee Islands?" Now, much as I respect Mr. Bright—and no one has a sincerer respect for him than I have—I am not going to defend the projects by which he would have abolished the Governor-General-in-Council and would have established half a dozen separate Governments in India, having no connection with each other, and each of them directly subordinate to the Secretary of State at home: I believe that, sooner or later, the result of such a plan, if it were put in operation, would be the destruction of our Indian Empire; and I am not one of those people, who unfortunately are not wanting now-a-days, who can look with complacency on such a prospect; nor will I accept it as even a possible contingency. Present Financial Condition.

If there be one thing more essential than another in India, it is, in my opinion, a strong Central Government; and I utterly disbelieve that we can ever get such a Government out of India itself. Nevertheless, there was a basis of truth and wisdom in Mr. Bright's proposals: it is, in many respects, quite true that what we want is to decentralize our Government; although I dislike the term decentralize, because it conveys to many people the false notion that we desire to diminish the central authority of the Supreme Government: on the contrary, we desire to see that authority increased, and made the strongest possible reality; and I am convinced that we can only maintain true imperial control by refusing to meddle with details which the local authorities can alone understand, and with which they alone can intelligently deal: no Government, whether it be Imperial or Provincial, can ever really deserve to be called strong, unless it be conducted on these principles. Central Government must be strong.

As Your Excellency told us the other day, on a very different occasion from this, we have been far too much disposed to disregard the fact that India is no homogeneous country, but a continent containing many nations, the differences between which are at least as great as those which exist between the nations of Europe: it is farther from Lahore to Calcutta than from London to Naples; and, wide as the difference is between England and Italy, there is probably far less difference between those two countries in all their physical conditions, and far less difference between their inhabitants, than there is between the Punjab and Bengal. Nor is it at all true that our existing Indian Provinces are merely artificial divisions: there are, no doubt, varieties of race and language and customs to be found within a single Province; but Bengal, Madras, Bombay, the North-Western Provinces, and the Punjab have, nevertheless, each of them, a fairly well-defined and distinct character.

I believe that the views which I have now been stating, and which Your Excellency has, on more than one occasion, publicly declared, are especially true in regard to measures of taxation and finance; we should think it very unreasonable to suppose that the same plans of taxation and financial administration are applicable to all the countries of Europe; and it is just as unreasonable to suppose that the same plans are applicable throughout India; a system which may be excellent in one Province may be as bad as possible in another.

Now, the Government is not so foolish as to imagine that there is any essential distinction between provincial and imperial taxation, or between provincial and imperial expenditure: when we talk of throwing upon the Local Governments new responsibilities for increasing the public revenues; or of relieving our finances by making provincial certain obligations which have hitherto been imperial; we are not so ostrich-like, or so dishonest, as to imagine or to profess, that, by any juggle of names, we can alter the nature of new taxation and make it less burdensome to the people; or that the actual expenditure of the Empire is diminished, when we say that charges for certain classes of works, which have hitherto been imperial, shall henceforth be provincial; indeed, in the Accounts as now remodelled, no distinction whatever is made between imperial and provincial revenue and expenditure. I have, nevertheless, a strong conviction that decentralization, leading, as I believe it, infallibly, will do, to improved administration, will bring about a great increase in the productiveness of existing sources of revenue, great diminution of the evils of fresh taxation if fresh taxation becomes necessary, and great economy in expenditure. No distinction between imperial and provincial taxation. Decentralization.

Lord Mayo's Measure, 1870.

In regard to expenditure, an important step was taken by Lord Mayo six years ago. I will ask Your Excellency, although I am afraid I have no better object than that of saving myself a little additional trouble which would be entailed by explaining my views over again to the Council, to allow me to read a passage from an old paper of my own, in which I endeavoured to describe the reasons for the measures taken by the Government of India in 1870: a clear conception of those reasons is essential to the proper understanding of the plans which are now proposed.

QUOTATION FROM SIR JOHN STRACHEY'S MINUTE ON LORD MAYO'S ADMINISTRATION.

"Under the system which Lord Mayo found in force when he became Viceroy, the Local Governments, which practically carry on the whole administration of the country, had almost no powers of financial control over the affairs of their respective provinces, and no financial responsibility: everything was rigorously centralized in the Supreme Government, which took upon itself in detail the provision of funds for every branch of the public service throughout India. The business of supervising in a central office all the details of the receipts and expenditure of the empire had become so enormous, that its proper performance was impossible; 'I do not think,' wrote Sir Henry Maine in 1867, 'that anybody can have observed the recent workings of our system of financial control, without coming to the conclusion that, if it be not on the point of an inevitable collapse, it is, at all events, in great danger of going to pieces unless the strain be lightened somewhere.'

"For many years before Lord Mayo became Viceroy, the ordinary financial condition of India had been one of chronic deficit; and one of the main causes of this state of affairs was the impossibility of resisting the constantly increasing demands of the Local Governments for the means of providing every kind of improvement in the administration of their respective Provinces: their demands were practically unlimited, because there was almost no limit to their legitimate wants: the Local Governments had no means of knowing the measure by which their annual demands upon the Government of India ought to be regulated: they had a purse to draw upon of unlimited, because unknown, depth; they saw, on every side, the necessity for improvements; and their constant and justifiable desire was to obtain for their own Provinces and people as large a share as they could persuade the Government of India to give them out of the general revenues of the empire; they found by experience that the less economy they practised, and the more importunate their demands, the more likely they were to persuade the Government of India of the urgency of their requirements; in representing those requirements, they felt that they did what was right; and they left to the Government of India, which had taken the task upon itself, the responsibility of refusing to provide the necessary means.

"The Government of India had totally failed to check the constant demands for increased expenditure: there was only one remedy—to prevent the demands being made; and this could only be done by imposing on the Local Governments a real and effectual responsibility for maintaining equilibrium in their local finances: there could be no standard of economy until apparent requirements were made absolutely dependent upon known available means: it was impossible for either the Supreme or Local Governments to say what portion of the Provincial revenues was properly applicable to local wants: the revenues of the whole of India went into a common Fund, and to determine how much of this Fund ought fairly to be given to one Province and how much to another, was impracticable. 'The distribution of the public income,' General Strachey wrote, 'degenerates into something like a scramble, in which the most violent has the advantage, with very little attention to reason: as local economy leads to no local advantage, the stimulus to avoid waste is reduced to a minimum: so, as no local growth of the income leads to an increase of the local means of improvement, the interest in developing the public revenues is also brought down to the lowest level.'

"The unsatisfactory condition of the financial relations between the Supreme and the Local Governments led to still more serious evils: constant differences of opinion about petty details of expenditure, and constant interference of the Government of India in matters of trivial importance, brought with them, as a necessary consequence, frequent conflicts with the Local Governments regarding questions of provincial administration, of which they were the best judges, and of which the Government of India could know little: the relations between the Supreme and Local Governments were altogether inharmonious; and every attempt to make financial control more stringent, increased an antagonism, the mischief of which was felt throughout the public service.

"To Lord Mayo belongs the honour of applying the only effectual remedy for these serious evils: he resolved to give to the Local Governments the economical standard which they required; to make over to them a certain income by which they must regulate their local expenditure; and to leave to them, subject to certain general rules and conditions, the responsibility of managing their own local affairs.

"From the commencement of the official year 1871-72 the financial control of the following services was transferred to the Local Governments: Jails, Police, Education, Registration, Medical Services, Printing, Roads, and Civil Buildings.

"The views of Lord Mayo were stated by himself in the Legislative Council on the 18th March 1871, as follows:—'Under these eight heads it is proposed to entrust the administration, under a few general conditions, to the Provincial Governments, and a fixed contribution will be made from Imperial Revenue every year. * * It is impossible to prophesy or say, at present, what can be done in the far future; but I should be misleading the Local Governments if I were not to say that it is our opinion that these sums are now fixed at an

amount which cannot be exceeded for at least a number of years: I think it desirable that this should be perfectly understood; because one of our objects is the attainment of as great an amount of financial certainty as is possible. * * But, in addition to the increased power of administration which it is proposed to give to the Local Governments, an administrative change will take place, which I think they will be able to exercise with advantage: they will have a large sum to devote to local objects; the power of allotment will be left absolutely to them; and they will be able to vary their grants for roads, civil buildings, education, and other heads, from year to year, as they may think most desirable; in some Provinces it may be desirable in one year to spend a larger sum on roads; in others it may be desirable to fill up some shortcomings with regard to education or other objects. The Local Governments will thus be able to exercise that power of allotment with much greater satisfaction to themselves and to the public, than they did under the old system, when they were obliged to consult the Supreme Government, not only as to the allotments that were made in the beginning of the year, but also with regard to any appropriations that were thought desirable within the year, provided that those appropriations exceeded a certain amount.

Lord Mayo's Measure, 1870.

* * I have heard it stated that, by the proposals which we make, there may arise a separation of interests between the Supreme and Local Governments: I fail to perceive any strength whatever in this assertion: I believe that, so far from there being a separation of interests, the increased feeling of responsibility and the feeling of confidence which is reposed in them will unite and bind together the Supreme and Local Governments to a greater extent than before. * * I believe that we shall see, in place of greater uncertainty, greater certainty; we shall see works and objects carried on with more vigour, enthusiasm, and with less hesitation, when these works and these objects are effected under the immediate responsibility of those who are most interested in them.'

"The gross sum made over to the Provincial Governments for these services, and some few others transferred since the scheme was first introduced, amounted, including receipts given up, to about £5,600,000."

RESULTS OF LORD MAYO'S MEASURE OF 1870.

After nearly six years' experience, we can confidently say that the results of the new system have been thoroughly satisfactory. Objections have been made to some of the details; and Local Governments have often said that the change did not go nearly far enough; but, in regard to the main principle and the general success of the new arrangements, I believe that neither the Government of India nor any Local Government has ever felt a doubt. Every object with which the change of system was made has more or less been gained: the old friction between the Supreme and Local Governments has been greatly diminished; the authority of the Supreme Government and its powers of general control, instead of being weakened, have become stronger and more real, since the attempt to interfere in all sorts of petty details was abandoned; the Local Governments have been able to carry out many measures of improvement which would otherwise have been impracticable; and, so far as I know, there has not been a single counterbalancing disadvantage.

The most important object of all, so far as the Imperial finances are concerned, that of economy and preventing increase of expenditure, has been completely gained, as I think the following figures will show. The charges which were made over to the Provincial Governments were selected because they were especially liable to increase. In 1863-64 the net expenditure for the services afterwards transferred to the Provincial Government was £5,112,000; and, during the four following years, it continued to rise, until in 1868-69 it amounted to £6,030,000: in 1869-70 it was nearly the same, but a little less. In 1870-71, before the new system was introduced, a determined and successful effort was made by Lord Mayo's Government to reduce the charges which had been growing at so alarming a rate; and they fell, in that year, to £5,197,000. The new system of which I have been speaking was then introduced; and, after it had worked for five years, the result, in 1875-76, was that the charges for the assigned services were £5,305,000: there was practically no increase of expenditure; the total charges were only about £200,000 more than they were in 1863-64; they were less by £700,000 than they were in 1868-69. It is true, as I have just shown, that the great reduction took place before the change was actually made; but, if we may judge from what had happened before, the demands of the Local Governments for larger grants to carry out administrative improvements would certainly have gone on increasing; and I believe they would have been as irresistible as before.

I will not take up the time of the Council with details showing the manner in which the charges for each of the assigned services have varied; but it may

Lord Mayo's Measure, 1870.

be said generally that there has been no growth of expenditure under any heads, excepting *Education* and *Medical*: these charges, which were £458,000 in 1863-64, and £909,000 in 1870-71, rose to £1,007,000 in 1875-76: in other words, the people have got more Schools, and Hospitals, and Dispensaries, although less money has been spent on Jails and Police. The financial results of the new system have, thus, been entirely satisfactory; the constantly recurring demands, and the consequent embittering controversies between the Supreme and Local Governments have ceased; and, I repeat, that, not only has all this been attained without any sacrifice of financial authority on the part of the Government of India, but there can be no question that this authority is stronger and more efficient than before. From the time in which the new system was introduced until now, I do not believe that one single authority who has seen how it has worked has expressed anything but confident approval of the principles on which it was based.

LOCAL TAXATION.

When the measures of 1870 were taken, there was a great deal of talk about local taxation; and it was loudly asserted that new burdens were being imposed on the country which were none the less serious for being called local. There was no foundation for this statement, nor did the Local Governments obtain any powers of taxation beyond those which they previously possessed: the truth is that, excepting in the Punjab and Oudh, where new rates for local purposes were imposed on land by Acts of the Imperial Legislature, and to a very small extent in Bombay, the measures of 1870 led to no fresh taxation whatever. The estimated revenue, throughout the whole of India, from local taxes, rates, and cesses in 1877-78 is only £2,233,000.

Development of Lord Mayo's Measure of 1870.

The weak point in those measures was this, that, while they transferred to the Local Governments the responsibility for meeting charges which had an undoubted tendency to increase, the income of which the Local Governments had to dispose, although not quite a fixed amount, had little room for development: the difficulty has perhaps not, hitherto, been generally felt to a serious extent, because it has been met by economy and good management: it must, however, be felt hereafter; and, for this and for still more important reasons, I have always maintained that the system of Provincial Assignments established in 1871 ought to be applied not only to expenditure but to income. What we have to do is, not to give to the Local Governments fresh powers of taxation, but, on the contrary, to do all that we can to render fresh taxation unnecessary, and to give to those Governments direct inducements to improve those sources of existing revenue which depend for their productiveness on good administration.

TRANSFER OF REVENUES.

EXCISE AND STAMPS REVENUES.

I will take as an example the two great heads of income, Excise and Stamps (including the items under Law and Justice hitherto reserved as Imperial Revenue), which are estimated to yield together, this year, net, £5,393,800. The whole of this goes into the Imperial Treasury: the increase or decrease in the receipts depends entirely, in the long run, on good or bad management; and bad management means the wasteful throwing away of revenue without any relief to the country. The administration, although centralized in the Government of India, has to be carried on by the officers of the Local Governments, and I doubt whether there is a single Province in which great improvement in the administration is not possible: throughout a large part of India the evasion of the Excise and Stamp duties is notorious; and, although I will make no guesses about the amount of revenue which we are thus losing, my belief is that it is very large. I have a strong conviction of the financial importance of this matter; and the importance is not merely financial, if I am right in believing that better administration would give us a large additional revenue of a thoroughly unobjectionable character, without the country feeling that any new burdens had been imposed upon it.

SURRENDER OF REVENUES TO LOCAL GOVERNMENTS.

How is this better administration to be obtained? The answer seems to me simple: it can be obtained in one way only; not by any action which gentlemen of the Financial Department, or any other Department of the Supreme Government, can take while sitting hundreds or thousands of miles away in their offices in Calcutta or Simla; not by examining figures and writing circulars; but by giving to the Local Governments, which have in their hands the actual working of these great branches of the revenue, a direct and, so to speak, a personal interest in efficient management. It may

be very wrong, but it is true, and will continue to be true while human nature remains what it is, that the local authorities take little interest in looking after the financial affairs of that abstraction, the Supreme Government, compared with the interest which they take in matters which immediately affect the people whom they have to govern. When Local Governments feel that good administration of the Excise and Stamps and other branches of revenue will give to them, and not only to the Government of India, increased income and increased means of carrying out the improvements which they have at heart, then, and not till then, we shall get the good administration which we desire; and with it, I am satisfied, we shall obtain a stronger and more real power of control on the part of the Central Government than we can now exercise.

Development of Lord Mayo's Measure of 1870.

Central authority not weakened.

We have not yet been able to work out in detail all the arrangements for carrying out this policy; and it is only with the Governments of Bengal, the North-Western Provinces, and Oudh, that it has hitherto been possible even to communicate officially on the subject. Although there will be nothing in the proposed measures requiring legislation, their importance is so great that I will give to the Council some account of the plans which have been, in all points of importance, settled with the complete and cordial concurrence of the Local Governments which I have named.

Arrangements with Local Governments about income and ordinary expenditure.

I will explain first the measures taken for the North-Western Provinces. We propose to transfer to the Local Government the Revenues derived from Excise, Stamps, Law and Justice, Collections from the Tarai and Bhábar and Dúdhí estates, and some miscellaneous items: the total amount which the Local Government will make good to the Imperial revenues on these accounts will be £698,400: this sum exceeds by £4,700 the amount estimated to have been actually received in the present year. The most important of the revenues transferred are Excise, Stamps, and the hitherto reserved revenues under Law and Justice: the net revenue assigned under these heads is £640,600; and the transfer has been made subject to certain conditions. These sources of revenue have gone on pretty steadily increasing throughout India; and it is not proposed to surrender to the Local Governments any part of that normal growth of income which might have been expected to continue if no change of system had been made. On the other hand, while we desire that the Local Governments shall share largely in any increase of revenue to which their own improved administration may lead, it is evidently reasonable and necessary that the Imperial revenues should share in this increase also. In the North-Western Provinces, however, these particular sources of revenue have grown less, and fluctuated more, than elsewhere, and it is proposed that, for the two next years, the Local Government shall pay to the Imperial Treasury one-half of any net increase which may result under its management, the Government of India undertaking on its part to bear half of any deficit: two years hence, the arrangement will be open to revision. If there should be any new legislation intended to increase or reduce any of the assigned revenues, the amount due to the Imperial Treasury will have to be reconsidered.

The North-Western Provinces.

Revenues transferred.

As regards expenditure, it is proposed to reserve as Imperial those grants only which, for some particular reason, it seems inexpedient to transfer to provincial responsibility: these are as follows:—

Expenditure reserved to Imperial responsibility.

	Estimated Grant, 1877-78. £
(1).—*Interest on other Accounts*	2,400
(2).—*Refunds (excepting refunds of Excise, Stamps, Law and Justice, and Deposits)*	9,600
(3).—*Settlements*	102,800
(4).—*Allowances to District and Village Officers*	32,700
(5).—*Special temporary increae to the pay of Covenanted Civil Servants*	4,500
(6).—*Forests*	43,700
(7).—*Account and Currency Offices*	22,000
(8).—*Minor Departments*	8,800
(9).—*Ecclesiastical*	20,000
(10).—*Medical Establishments*	28,600
(11).—*Political Agencies*	3,000
(12).—*Allowances and Assignments*	52,000
(13).—*Superannuation, Retired and Compassionate Allowances* ...	62,500
(14).—*Miscellaneous*	3,500
	396,100

Arrangements with Local Governments about Extraordinary Expenditure.

The reasons for the reservation will, in most cases, be self-evident; and I need not trouble the Council with them: I will only say, in regard to one of the heads, "Forests," that the question remains to be considered whether this ought not also to be transferred to local management. The amount provided for these reserved services in the Estimates of 1877-78 is altogether £396,100.

SERVICES TRANSFERRED TO MANAGEMENT AND RESPONSIBILITY OF GOVERNMENT OF N. W. PROVINCES.

The principal remaining services are Land Revenue, Excise, Stamps, Administration, Stationery, and Law and Justice. These and some others were estimated to cost, in 1877-78, £736,300: the existing provincial allotment for Police, Jails, Education, and the other services transferred under the arrangements of 1870, is £651,100: the total charges for which the Local Government will be responsible amounts, therefore, to £1,387,400. The Local Government, however, is satisfied that it can undertake those services with a somewhat smaller consolidated grant; and the sum of £35,400 will, therefore, be deducted from the total assignment, and will be a saving to the Imperial Treasury, leaving as the net amount to be actually granted £1,352,000. The revenues made over being £698,400, the net expenditure from the reserved Imperial revenues will be £653,600: subject to the conditions on which the transfer is made, the Local Governments will be entitled to add to its Balance in the Imperial Treasury any sum by which the provincial income in any year exceeds the provincial expenditure, and must, on the other hand, make good any sum by which that expenditure exceeds the income.

CONDITIONS OF TRANSFER.

It will be incumbent upon the Local Government, in managing its finances, never to exhaust the Balance at its credit with the Government of India; the Government of India will not accept any Estimates or allow any transactions which involve the expenditure of more money than is at credit of the Local Government in the Imperial Treasury; and it will be the duty of the Accountant General, on behalf of the Government of India, to take care that this condition is never infringed; to enable the Government of India to enforce this condition, the Local Government, when submitting its yearly estimates, will always state its opening Balance, and the effect thereon of the estimates presented. Subject to this condition, and to the other rules and restrictions which have been laid down, the Local Government may spend at its own discretion the funds placed at its disposal. I need not describe these rules and restrictions in detail; but the most important of them provide that, without the previous sanction of the Government of India, no fresh taxation can be imposed, or any change made in any system of revenue management; no new general service can be undertaken; no appointment with pay exceeding Rs. 250 a month can be created, or reduced, or abolished; and no class or grade of officers can be created or abolished or its pay altered; that no standing order or rule of the Supreme Government shall be changed, and that returns and accounts shall be submitted in the forms prescribed. Full power is reserved to the Supreme Government to modify, add to, or repeal any of these restrictions and conditions. The liberty of action thus conceded will not affect the duty of the Local Government to keep the Governor General in Council, in the several Departments, fully informed of its executive and financial proceedings: the Government of India will continue to exercise its general powers of supervision and control in all Departments; but it will, as far as possible, avoid interference with the details of the local administration, and everything which might lead to embarrassment of the provincial finances.

BENGAL AND OUDH.

I will not take up the time of the Council by describing in detail the arrangements made for carrying out a similar change of system in Bengal and in Oudh; because they are, in all matters of principle, similar to those adopted in the North-Western Provinces. The scale, however, of the whole settlement with Bengal is much larger; the exact figures are not yet quite fixed; but the total amount of the revenue surrendered in 1877-78 for provincial uses will not be less than £1,910,000, and the total expenditure transferred for the same year will not be less than £2,430,000. A retrenchment of £59,000 from the existing grants has been made, with the consent of the Local Government; and the existing Imperial expenditure will consequently be reduced by this sum.

Altogether, the immediate saving to the Imperial Treasury by the arrangements entered into with Bengal, the North-Western Provinces, and Oudh, is

£101,700, besides the guarantee of normal increments to the transferred revenues, amounting to £44,000: the estimates of the year are thus better by £145,700 than they otherwise would have been. I hope that when it becomes possible to enter into similar arrangements in other Provinces, equally satisfactory results may be obtained.

Arrangements with Local Governments about Extraordinary Expenditure.

The measures of which I have hitherto spoken will, we confidently hope, lead to improvement in administration, to economy in expenditure, and to increase of revenue, while they involve no fresh taxation. There are other measures, closely connected with them, which the Government proposes to adopt, which cannot, I am sorry to say, be carried into effect without an increase to existing burdens, an increase which, although it involves no fresh imperial taxation, will not, on that account, be less real. We propose, so far as it may be practicable, to make each Local Government responsible not only for the management of many of the great public works which we are constructing with borrowed money, but for meeting the charges which these works entail.

Extraordinary Works.

Local Governments to guarantee interest on Extraordinary Expenditure.

I must now refer to the system under which our so-called Extraordinary public works are carried on.

System of Extraordinary Expenditure.

No one is more alive than I am to the importance of providing the railways and works of irrigation which India requires; and, for my own part, nothing would induce me to support a policy which interfered with their progress. Our railways have, in my opinion, been constructed on a scale more expensive than was necessary, and the system of guaranteeing interest on the capital expended has led to extravagance: I believe that the money which has been actually spent on our railways would have been sufficient, if it had been spent in a more economical way, to cover India with a net-work of railway communication sufficient for all the commercial and political requirements of the country, if not for all the luxuries of locomotion: but it is easy to be wise after the event; the Government of the day had practically to choose between having these expensive railways, and having none at all; and its choice was perfectly right. Although the system of borrowing under which India has had to pay for these works has entailed very serious burdens, the benefit which they have conferred upon the country has been literally incalculable: I will say nothing of the enormous increase of wealth and prosperity which they have given us; I will only ask you to reflect on what would, at this moment, be happening through a vast extent of country in Western and Southern India if we had no railways: but for them, the people would probably be now dying of starvation by hundreds of thousands; and it would have been beyond the power of the Government to save them, if it had devoted to the task all the resources of the Empire. With such facts as these, and those which I have narrated regarding these railways in my review of the Regular Estimates, staring us in the face, the statements which we sometimes hear that these works ought not to have been constructed with borrowed money, and that we ought to have waited until we could provide the necessary funds from the surplus resources of the year, seem to me to deserve no serious consideration.

Importance of Railways and Canals.

Value of Guaranteed Railways and of Canals.

We may say the same of the great works of irrigation: the works already in operation have enormously enriched great tracts of country, and have provided for many millions of people security against famine: no one who has seen, for example, as I have, the irrigated districts of the North-Western Provinces, and who remembers what they were before the canals were constructed, can doubt the priceless value of the benefits which they have conferred. I will not now enter into the causes, arising, in my opinion, mainly from defective systems of financial management, which, in many instances, have prevented these great and admirable works from giving as speedy and as large direct returns as they ought to have given; but I have no doubt that these causes are removable.

Although the value of our railways and canals is so immense, and the necessity of going on with their construction so obvious, I have always felt that the system under which we are incurring, on this account, a heavy load of debt is attended with very serious evils; and I hope that it will not be imagined

Financial dangers.

Extraordinary Works.

NO RELAXATION OF CONDITIONS INTENDED.

that in proposing the changes of policy of which I am about to speak, the Government intends to relax the stringency of the rules which the Secretary of State and the Government of India have prescribed in regard to the construction of public works with borrowed money: we desire, on the contrary, to make these rules more stringent, and to obtain more complete security that, except under special circumstances, and for the necessary protection of great imperial interests, no money shall be borrowed for any works in respect of which we cannot say, with certainty, that the direct receipts will, at the very least, cover the interest on the capital expended.

SYSTEM OF FORECASTS OF FINANCIAL RESULTS.

The system under which our so-called Extraordinary works are now carried on was described in the Resolutions of the Government of India in the Public Works Department, published in July 1873 and in June 1875: the conclusion arrived at by the Government of India in the former of these Resolutions was that we might continue, without fear of financial embarrassment, to borrow annually a sum of 4½ millions sterling for the extension of Railways and Irrigation works in India. The grounds of this belief were stated in the Resolution of 1875, in the following words:—

"In the year 1872-73, after deducting the net receipts derived from works in operation, there remained a sum of £2,378,140 charged to revenue for the interest of money borrowed whether directly by Government or indirectly through Guaranteed Companies, for the construction of reproductive public works: the term reproductive is meant to imply, not that all these works are likely to be in themselves remunerative as an investment of capital, but that their effect will be to add to the general wealth of the country. The condition of the finances was such as to satisfy the Government of India that a similar charge of £2,378,140 might be met in future years without increased taxation. As works under progress are completed, and as those lately completed are brought into fuller work, fresh receipts will come in: some increase is also to be expected from old works: in the forecast of 1873 the rate of expenditure upon works in progress and new works was so adjusted for five years, that the estimated additional annual charge upon revenue for the interest of money to be borrowed should be met by the estimated additional receipts, and no increased annual charge upon revenue should be incurred."

The Resolution goes on to say that the forecast of 1873 had been more than justified by the facts; but that it was deemed expedient to limit to four millions sterling, the annual outlay on reproductive public works classed as extraordinary, for the prosecution of which money might be borrowed.

"New tables," the Resolution continues, "have been prepared on this basis; they include the operations of 1872-73 and 1873-74 taken from the accounts of actual outlay, and those of 1874-75 taken from the Regular Estimates; the operations for 1875-76 are taken from the Budget Estimate, and those of the following four years from the best estimate that can be formed of probable operations. The new forecast extends to the financial year 1879-80; the excess of interest charges over net receipts is estimated to decrease from £2,357,696, the actual charge in 1872-73, to £1,939,803 in 1879-80: this charge is expected to average £20,208,126 per annum from 1875-76 to 1879-80: the result is on the whole much the same as in the calculations of 1873. No allowance has been made for the probability that surplus revenue will be applied to the construction of reproductive works: it will thus be seen that a considerable margin has been allowed for safety in these calculations. The result of the new forecast is satisfactory: it appears that, taking a moderate estimate of the growth of income from existing railways and irrigation works, and very small returns from the new works, an annual capital outlay of four millions for the next five years on State Railways and Irrigation works charged with interest at 4½ per cent. is not likely to lead to any increase of annual charge on the Revenues of India."

The appendices to the Resolution of 1875 show in detail the works which it was proposed to construct with borrowed money: for State Railways it was estimated that the total outlay from extraordinary funds up to the end of 1879-80 would be £22,183,675; for irrigation works up to the same date, the estimate of outlay was £14,125,363; making a grand total to be borrowed of £36,309,038: these figures include sums expended up to 1875. According to the Forecast, the net charge on the Revenues at the end of 1879-80 would be, as before stated, £1,939,806, and this sum was distributed as follows:—

	£
Guaranteed Railways	1,215,000
State Railways	568,265
Irrigation Works	156,541

FORECAST SYSTEM BROKEN DOWN.

I believe that these forecasts were made with excellent care and judgment; and there is no reason for supposing that the anticipations of Lord Northbrook's

Government in regard to the growth of the income from the Railways and Canals will prove at all too sanguine; upon this subject I ask the attention of the Council to the facts stated in the review of the Regular Estimates for 1876-77 in my separate Minute. Nevertheless, in the last Financial Statement made by my predecessor, Sir William Muir, about a year ago, the Government was obliged to admit that the difficulty of carrying on the existing system had become extremely great: it was explained that, in consequence of the fall in the price of silver, the situation had become so grave, and the future so uncertain, that the Government of India had felt bound to review its position in respect of the expenditure on reproductive works from funds raised by loans: the Government, it was said, felt that it was not justified in adding to our future obligations by incurring any avoidable debt, even for the construction of works admitted to be beneficial to the country and in themselves remunerative: and it would, therefore, if it had been practicable, have altogether refrained, under the existing aspect of affairs, from borrowing for this purpose: such a course, however, could not have been taken without great loss, and it was necessary to complete the works which were in course of construction, not only to prevent waste, but in order that the capital already expended might bring in a return of revenue. Extraordinary Works.

"But," it was added, "the Government of India, though thus unable immediately to stop the expenditure from borrowed funds, are resolved at once to contract the sphere of operations. * * * So long as the present adverse prospects continue, this class of expenditure will be gradually diminished, so as, in the end, if need be, entirely to obviate borrowing for the purpose."

The whole question of our policy of borrowing money for public works has thus been, to some extent, re-opened. The truth, I think, is that it is impossible to foresee so confidently the financial conditions of the future that we can pledge ourselves to go on borrowing money, for a number of years, at the charge of the Imperial Treasury, without any fear that difficulties will arise. The progress of great works of improvement which, if carried out at all, ought to be carried out in a regular and systematic manner, thus becomes liable to interruption at any time by any temporary financial embarrassment: last year, our embarrassment was the depreciation of silver; this year, it is famine; next year, it may be something else. POLICY RE-OPENED.

Lord Mayo, in his speech in this Council on the 31st March 1871, made some observations on this subject which seem to me very true and very much to the point:—

"Unless," he said, "the Government is supported in organizing a system by which these works can be constructed without placing further serious charges upon Imperial Revenue, I greatly fear that many of these important operations may not be undertaken at all; or, if they are undertaken, they may run the risk of being stopped before they are finished."

and he went on to express his apprehension that we might otherwise have, in a few years, to witness either financial difficulty or the stoppage of some of these great and beneficial works. This anticipation has been exactly verified.

I am not so foolish as to imagine that there is any panacea for dealing with the difficulties with which this subject is surrounded; but I think that it is posssible to diminish them.

The works which have hitherto been classed as Extraordinary may be divided into three great classes:—*First*, there are works of the class which I have already mentioned, which, although they are not expected to be directly remunerative, are undertaken because they are necessary for Imperial purposes. I have said all that I have to say at present regarding them; and have explained that, if any new works of this kind are undertaken, they will be treated as Ordinary, and not Extraordinary works. IMPERIAL UNREMUNERATIVE EXTRAORDINARY WORKS.

Between the *second* and *third* classes of Extraordinary Public Works, of which I have now to speak, there is no broad and distinct line of separation. They are, in both cases, works of improvement for developing the resources of the country, and for meeting its necessary requirements; and, in respect of them, it is anticipated that, besides the indirect advantages to the country arising from their construction, they will yield, within a moderate time, a direct income at least equal to the interest of the capital expended on them. Some of these works which I put into my *second* class are undertaken for objects of such general utility, that they may be fairly called REMUNERATIVE EXTRAORDINARY WORKS.

Extraordinary Works.

Imperial: the great trunk lines of railway, for instance, like those which connect Calcutta with Bombay, Madras and Lahore, or that which we hope before long will be completed from Ajmere to the Bombay and Baroda Line, are works which not only confer immense benefits on the Provinces and Districts through which they pass, but are essential to the wealth and prosperity of the Empire: the cost of constructing them falls, properly, so long as private enterprise is not forthcoming, on the Empire at large.

EXTRAORDINARY WORKS FOR PROVINCIAL AND LOCAL OBJECTS.

But there is another class, which I call the *third* class of great works of improvement, which are, primarily, works of provincial or local utility, undertaken for the special benefit of certain districts or places, with the object of increasing their wealth, or protecting them against famine, or for some other purpose: the Orissa canals, for instance, have afforded to that Province an insurance against famine; the Ganges Canal has given absolute immunity from famine to many districts of the North-Western Provinces; the Northern Bengal and the Tirhoot railways will be works of immense local value. There is, as I said before, no broad line of difference between such works as these and works of Imperial utility; Imperial works confer great local benefits; and works of local utility enrich the Empire; but, although the two classes of works thus run into one another, the distinction is, nevertheless, a real one, and it has not been sufficiently recognized.

CANNOT BE CONSTRUCTED FROM IMPERIAL RESOURCES.

It has been frequently said, and I suppose no one denies it, that it is impossible to meet from the Imperial Revenues the obligation of providing all the works of local improvement which India requires; but we still go on as if we believed this to be false, and continue to take in hand, at the charge of the Imperial Treasury, all sorts of works of little imperial importance, and the value of which is mainly and primarily local: these are the undertakings which cause so much financial difficulty.

I will give a few examples of the practical results of the system which we have been following.

FINANCIAL FAILURE OF CANALS IN BENGAL.

The total capital outlay on Irrigation works in Lower Bengal up to the end of 1875-76 was £4,072,742; and not less than £1,494,000 will be required to complete the works that are in progress: the gross income from these works in 1875-76 was £23,043, and the working expenses were £52,949; there was a dead loss on the year's operations, independently of interest on borrowed capital, of £29,906: the net loss in interest and working expenses during the year was £203,700; and the total accumulated loss up to 31st March 1876 was £878,100.

ORISSA PROJECTS.

The Orissa and Midnapore Projects had cost, up to 31st March 1876, £2,482,039; and are so far completed that water for irrigation on a large scale has been obtainable for several years past: in 1875-76, these canals yielded an income of £17,953, while the working expenses were £41,406: including interest, the net loss on these canals was £122,567, and the total loss up to 31st March 1876, was £666,131. The further works which it is proposed to undertake in Orissa will cost about £368,000 more; and no one, I believe, pretends that, within any time which can now be foreseen, there is the remotest chance, if things are left as they are, that we shall get any adequate return from this great expenditure.

SÔNE CANALS.

The Sône Canals in Northern Bengal had cost, to the end of 1875-76, £1,521,366; and more than £1,185,000 will be required to complete them: they will be, in the highest degree, beneficial; but I am confident that there is not, under the present system, any probability that they will, for many years to come, pay the interest on the capital outlay: the income in 1875-76 was £5,090, and the working expenses were £11,543. I do not lay stress on these figures, because the works are not finished; but it is a curious and most significant comment on them to be told, as we have been on the highest official authority, that the value of the crops saved by these unfinished canals in the single year of drought, 1873-74, was estimated at £480,000.

CANALS AND RAILWAYS IN BENGAL.

The lowest sum at which it is possible to estimate the capital outlay in Bengal on canals and local railways now in operation or in progress, exceeds £8,000,000. After expending £4,072,742 on canals, there was, as just shown, a dead loss to the Imperial Revenues in the year 1875-76 of £203,700 I do not wish to speculate on the results that would probably be obtained under the existing system when the total expenditure reached £8,000,000; but the prospect could hardly be more unsatisfactory: and in spite of all this, the works themselves are most useful and beneficial to Bengal.

I might give similar, although less extravagant, examples from the works in other Provinces; but I think that enough has been said to show that there must be something radically unsound in our existing policy.

Principle of local responsibility for interest on Extraordinary Expenditure.

I come now to the consideration of the remedies for the state of things which I have been describing.

Six years ago, there was much discussion on the subject of compulsory water-rates; and I wish to refer to that question, before going further, because it is more or less connected with the proposals which I am about to make. So much has been said and written in past times about it (and I am afraid that my own share in the discussion would fill a small volume), that I can hardly say anything which has not been said before: the question, it will be remembered, was one in which Lord Mayo took a deep interest; his views on the subject are well known, and I believe them to have been thoroughly sound. I must explain that, in what I am now about to say regarding compulsory rates for irrigation, I express my own opinions only, and in no way commit the Government at large. The practical measures which are now proposed may, however, be consistently approved by those who disagree with the views which I hold regarding compulsory water-rates; and, if I refer to this subject now, I do so chiefly because I wish to guard myself, personally, against the charge which might otherwise have been brought against me, that I was introducing a measure which I hoped would lead to results very different from those which were apparent on its face.

Compulsory Water-Rates.

The proposals which were made, some years ago, to impose compulsory rates for meeting the charges for works of irrigation, took a definite shape in certain Sections of the Punjab Canals Act, which were passed, after much discussion, in 1871, but were subsequently vetoed by the Duke of Argyll, who was then Secretary of State: I should be sorry to see those Sections re-enacted now: their only merit, in my estimation, was that they recognised a true and important principle; but they could not have been worked in practice, and I do not regret their loss.

Punjab Canals Act.

The principle for which I contend is simple: under our existing system, almost the only direct returns which we obtain from our canals are those derived from the voluntary payments of the cultivators who take water for irrigating their fields: I assert that this system is wrong and irrational. In a country like India, exposed not to the chance, but to the certainty, of periodical drought and famine, the construction of works of irrigation is often an absolute necessity: it is a necessity, whether the people in ordinary seasons take the water or not, and whether the canals pay or not.

Principle of local responsibility.

I take as an illustration the case of the Orissa Canals, to which I have just referred: there has been an immense expenditure of money; and the result is that an insurance has been provided against the recurrence of any such terrible calamity as the famine which happened some years ago: but, in ordinary years, when the rainfall is sufficient, the people will not pay for the canal water; they know that, in case of necessity, the water is there, and that they can get it; but, under ordinary circumstances, they think they can manage well enough without it: the result is that, although the Province of Orissa is secured against famine, the canal gives no direct return on the great sum of money borrowed for its construction, and does not pay even its working expenses; and the whole burden of the charge falls, not on the people really benefited, but on the Imperial Revenues, or, in other words, on the tax-payers of the Empire.

Orissa Canals.

I have just given similar figures for the Sône Canals in Behar; the Province is rich and prosperous, and well able to pay for the great local benefits conferred upon it; but, for some reasons which I, for my part, have never been able to understand, or in the least degree to appreciate, we choose to give these advantages to the people of Behar at the cost of the people of India: the people who are to get the benefit are to pay as little as they please; the people are to pay who get almost no benefit at all.

Sone Canals.

What I want to know is why irrigation works, which, in many parts of India, are, incomparably, the most beneficial works which it is possible to undertake, and the works which have the greatest possible local utility, are to be singled out as the only local works for which the people immediately benefited are to pay nothing: why are districts and towns to pay for their

Principle of local responsibility for interest on Extraordinary Expenditure.

own roads, and schools, and hospitals, for the paving and drainage of their streets, and their supply of drinking water; and why is it wrong that they should pay something for the irrigation works on which the actual existence of the people depends?

It is idle to say that, in the one case, the people are themselves consulted before the expenditure is incurred, whereas, in the other case, the works are undertaken without any reference to their wishes; every one knows perfectly well, that, whatever may be the theory, the fact is, putting aside some altogether exceptional cases, that the people at large have no more to do with the regulation of local and municipal expenditure than with the expenditure on canals and railways; and that, for many years to come, this must continue to be true.

As it cannot be denied that we cannot go on, for ever, constructing at the expense of the Imperial Revenues, works which will not pay, although those works may be absolutely necessary as a protection against famine, it comes virtually, under our present system, to this, that the question whether we are or are not to make canals, and whether we are or are not to save millions of people from misery and perhaps from actual starvation, is to depend on the views which certain ignorant peasants may hold in regard to their own personal interests.

Almost everything that I have been saying about canals is, in regard to some parts of India, just as applicable to railways: there are many districts in which irrigation works are not wanted or cannot be made, and where cheap local lines of railway are the proper and only effectual means for preventing or relieving famine.

GOVERNMENT OF INDIA WILL ENFORCE *provincial* RESPONSIBILITY ONLY.

I will not now discuss this subject further, because the Government of India has no propositions to bring forward in regard to it: all that we now desire is to enforce provincial responsibility for works of provincial utility; and it will be left to the Local Governments to take, if they should think fit to do so, the initiative in proposing the adoption of more complete measures under which a really local responsibility shall be enforced for meeting local wants: I do not disguise my own opinion; and it is my hope that the system which we now desire to introduce, will lead to results in the direction which I have indicated.

Our present plan is this: we desire to throw upon every Province, so far as this is now practicable, the responsibility for meeting the cost of its own local requirements.

It will be objected that to enforce strictly local responsibility in such a matter may be right; but that it is quite another thing to throw such a responsibility on a whole Province: this, it may be said, is, in principle, as bad as making the responsibility Imperial. Now, I fully admit that, in my own opinion, our proposed measures, if they be taken by themselves, are imperfect; and that they ought to be supplemented by others in the manner which I have suggested: but, under existing circumstances, it is not possible for the Government of India to do more than distribute between the various Provinces the burden which now improperly rests on the Imperial Revenues; and, in doing this, and obliging each Province to meet the charges for its own works of local utility, it will have taken a great step in the right direction. It is, for instance, at any rate, less unfair that the cost of the Ganges Canal should fall upon the people of the North-Western Provinces than upon the people of Madras and Bombay.

ADVANTAGES ANTICIPATED.

When Local Governments find that this responsibility has been imposed upon them, and that the only means of obtaining, without fresh taxation, the works of improvement which they require, is the wise and economical management of the works themselves, and the development of the income which they yield, they, and their officers, will take an altogether different interest in these matters from that which they feel now, when the only apparent practical result of careless financial administration is diminished profit to the distant treasury of the Empire. When new proposals to construct works of improvement with borrowed money are brought forward, the incentives to economy and care on the part of the Local Governments will be especially strong, and a powerful check will be placed on extravagant projects and enthusiastic estimates of profit. Under the present system, every Province desires to get for its own useful works as large a share as possible of borrowed money, knowing that, whether the anticipations of future income prove to be accurate or not, there will be certain gain to the Province, and loss to the Imperial treasury alone.

Principle of local responsibility for interest on Extraordinary Expenditure.

The principle on which we base our proposed measures is strictly just: we start with the fact that each of our great Indian Provinces has an individuality of its own; that it is something more than a mere geographical expression; and that its people have, in a great measure, common wants and common interests. I will take as an illustration of my meaning, and of the manner in which our plans will work, the North-Western Provinces and the Ganges Canal: the people who actually take the water to irrigate their fields are the first who profit; the people who, although they do not take the water, can do so whenever they choose, and for whom an insurance against drought has been provided, are those who profit next: but these are not the only people who derive a positive benefit from the canal; it not only gives protection against famine to a great agricultural and non-agricultural population in the tract through which its immediate influence is felt, but, now that the country is intersected with railways and roads, there is hardly any part of the North-Western Provinces which does not receive from it more or less advantage, or which may not fairly be expected to contribute something towards the cost of its construction and its maintenance: in times of drought, it provides food not only for the districts through which it passes, but for those which are less fortunately situated, and it prevents the price of grain from rising to a point which would cause privation and suffering to the poorer classes of the population.

So far, therefore, as the Government of India is now concerned, the unit with which we shall deal will be the Province which is benefited: it will be the duty of the Local Governments to endeavour, so far as may be practicable, to distribute the charges imposed upon them, so that the burden on any district, or any class of people, shall be proportionate to the benefits received.

Fresh taxation in Bengal Presidency.

These plans cannot be carried out without imposing fresh taxation in the Bengal Presidency: they will scarcely affect Madras and Bombay, except in regard to new works which it may be proposed to construct hereafter; and the application of these principles to those Presidencies must be reserved for future consideration: it may be added that the present time would obviously be inopportune for imposing fresh burdens in Provinces suffering from famine.

Arrangements with Local Governments about Extraordinary Works.

I do not assert that it will now be possible to apply these plans strictly to all cases in which canals and railways of local utility have, in past times, been constructed at the expense of the Imperial Revenues: all that we say is that they shall be applied, so far as this can now be done, without unwisely and unjustly throwing fresh burdens on provincial resources, and always bearing in mind that there is, as I have said before, no real distinction between imperial and provincial taxation.

Arrangements with N. W. Provinces.

I can do little more, now, than explain the general principles of the policy which the Government proposes to adopt; and I can only describe in detail the plans for carrying it out in the North-Western Provinces: they are the only measures which it has been possible to bring to completion in concert with the Local Government; and they alone will at present require legislation in this Council.

The capital expended on canals in the North-Western Provinces and classed as "Extraordinary," will amount, at the end of 1876-77, to £5,291,000, and, at the end of 1877-78, to £5,560,000: these figures do not include anything on account of the accumulated interest paid in past years in excess of the net income derived from the works: for our present purpose, there is no propriety in making such an addition to the capital, because the interest has in fact been discharged, from year to year, as it became due, and no longer constitutes any burden on the Revenues.

The revenue of these canals from water rates, navigation, and other direct returns, in 1877-78, is estimated at £310,100; and the indirect revenue, consisting of land revenue due to the works, at £92,300; so that the estimated gross revenue derived from the canals in 1877-78 is £402,400: the working expenses are estimated at £146,100: thus the Net Revenue will be £256,300 or £164,000, according as the indirect revenue is or is not taken into account. One year's simple interest at 4½ per cent. on the capital hitherto expended is estimated to be £244,000; according to these calculations, therefore, the works will, in 1877-78, after providing for interest on the capital, and taking credit for the indirect Revenue, yield a surplus profit of £12,300.

Arrangements with Local Governments about Extraordinary Works.

These figures do not really exhibit any close approximation to a real profit and loss account: on the one hand, the sum shown as Capital Expenditure includes no interest during construction, nor does it, or the sum shown as working expenses, include any provision for Absentee Allowances and Pensions, or for incidental charges, such as Stationery, Printing, Medical Stores, Imperial Supervising Offices, &c., which are not recorded in the Public Accounts as expenditure on Public Works, but under other heads. On the other hand, the amount shown as Capital Expenditure includes a large outlay on works not yet in operation, and therefore not yielding revenue.

The following statement shows the estimated Capital Expenditure on the works completed to the end of 1876-77, and the Net Revenue expected to be derived from those works in 1877-78:—

Canals.	Capital expended.	Gross estimated Earnings, 1877-78.	Working Expenses.	Net Revenue.
	Rs.	Rs.	Rs.	Rs.
Ganges	2,80,00,000	(a) 22,16,000	9,71,000	12,45,000
Eastern Jumna ...	24,24,000	6,34,000	2,17,000	4,17,000
Dhoon	6,14,000	51,000	32,000	19,000
Rohilkhand and others	14,62,000	83,000	68,000	15,000
TOTAL ...	3,25,00,000	29,84,000	12,88,000	16,96,000

(a) Including Rs. 43,000 from Owners' Rate.

It appears from this Statement that out of the total capital expended to the end of 1876-77, no less than £2,040,700 has been spent on works still in course of construction, or which are not yet producing Net Revenue, and that the interest on the capital yielding revenue, *viz.*, £3,250,000, is, at 4½ per cent., £146,250. These completed works are thus estimated to yield, in 1877-78, a net profit, over and above the interest on their capital cost, of £115,650, including the indirect revenue, or £23,350 if we exclude it: making all allowances for the omissions from the Capital Expenditure and Working Expenses above noticed, there can be no doubt that these results are very satisfactory: it must, however, be remembered that they were only arrived at after the canals had been in operation for a long period of years.

RESERVATION OF EXISTING NET REVENUE.

The exigencies of the Supreme Government will not admit of the surrender of any part of the Net Revenue which it now receives from these works: it has been decided that the most convenient way of adjusting this claim of the Government of India will be, in the first instance, to reserve to the Imperial Treasury the indirect returns from the canals, which are now credited as Land Revenue: they amounted last year to £92,300: this leaves a further sum of £23,350 to be made good; but, as some of the items of the calculation are uncertain, the Government of India will be satisfied with a fixed contribution of £20,000 in addition to the indirect revenue. It must be remembered that the Imperial treasury, in thus claiming the entire profits on capital hitherto expended, only claims what it receives already; and that it foregoes, at the same time, all claims for returns on the large indirect expenditure before referred to. The Local Government will thus be responsible for making good to the Imperial treasury every year the interest on the whole capital expended, plus the sum of £20,000; and to meet these charges the Local Government will receive the whole of the Net Revenue from the works, excepting that portion of it which is credited as Land Revenue: some special arrangements, with which I need not trouble the Council, have been made regarding that portion of the Canal receipts known technically as *Owners' Rate*.

The amount which will thus be due from the Local to the Imperial Government in 1877-78 may be estimated at £100,000: subject to this payment, and to certain further conditions which I shall notice presently, the Government of India will make over the whole of these works to provincial management, and the whole of the revenue derived from them to provincial uses. The Government of India will advance from the Public Treasury the funds required for completing the irrigation works now in progress or proposed, and for the construction of Railways for local purposes. During the next three years, the account between the two Governments will, it is proposed, be settled in the manner that has been described: the arrangements will then be open to revision.

Arrangements with Local Governments about Extraordinary Works.

It must rest with the Supreme Government to determine how much money it can place at the disposal of the Government of the North-Western Provinces, each year, for the construction of these works. The Governor General in Council will endeavour in this matter, as far as possible, to meet the wishes of the Local Government, and to supply the necessary funds at such a rate that the works shall go on regularly to completion with no avoidable delay: the amount, however, that it is expedient to borrow for the whole of India, in each year, must be determined upon general considerations; and the Government of India alone must decide how the available funds can be most profitably distributed among the several Local Governments: the demands upon the Public Treasury, ordinary and extraordinary, are too uncertain for it to be possible for the Imperial Government to promise, absolutely, to supply a fixed sum to any Local Government for a succession of years.

GOVERNMENT OF INDIA MUST DETERMINE RATE OF FUTURE EXPENDITURE.

FORECAST OF RESULTS IN N. W. PROVINCES.

It is understood that the capital cost of the canals and local railways now in existence, under construction, or contemplated in the North-Western Provinces, is estimated at about £8,500,000; so that, to complete the whole, there will still be £3,000,000 to spend after the year 1877-78. Assuming it to be possible to provide £400,000 annually for this expenditure during the next five years, the liabilities of the Local Government for interest and Imperial profits would increase from their present amount of £264,000 to £345,000 at the end of the fifth year; on the other hand, it is anticipated that the receipts will increase, during the same period, at an average rate of £20,000 a year, or from the present amount of £164,000 to about £264,000. On this assumption the amount to be contributed from other sources, which is now £100,000, would have fallen to a little over £80,000 at the close of the five years: the prospective burden undertaken by the Local Government is, therefore, never likely to become formidable. It is no doubt possible that the estimate of £3,000,000 for future expenditure may be increased; but this will not materially affect the calculation, since, in that case, the term for spending the money would no doubt be extended also.

IMPERIAL TREASURY TO SHARE FURTHER PROFITS.

As the burden imposed upon the Local Government becomes reduced by the growth of the net direct revenue, it is necessary that the Local Government should contribute to the Imperial Treasury a share of the advantage: it would be premature now to define what may ultimately be an equitable settlement between the Imperial and Local Government; but, as a temporary arrangement, open to revision at the end of three years, the Local Government will surrender to the Imperial Treasury one-half of any reduction that it may be able to effect in the charge of £100,000 which it now undertakes. For instance, supposing that the interest plus the profits of the Imperial Treasury payable by the Local Government should increase to £300,000, and the net revenue received by the Local Government should increase to £240,000, the sum to be provided from other sources would fall from £100,000 to £60,000, and, if no further condition were imposed, the Local Government would be in a better position by the difference, *viz.*, £40,000. The Government of India will concede to the Local Government one-half of this future advantage, reserving to itself the other half only, instead of the entire profits which it would keep for the Imperial Treasury if it were to apply to the profits of the future the same rule which has been applied to past profits accruing prior to the transfer now proposed: it is the expectation of the Governor General in Council that this arrangement will be profitable to both Governments; because it is hoped that the change of system will lead to better administration and to increased advantage from the works.

I must add that some of the figures which I have now given may be somewhat modified before final arrangements are made; but in this case the changes will tend to diminish, and not to increase, the burden placed on the Local Governments.

Although I hope that the Local Government will endeavour to secure from the land more or less directly benefited by the canals, larger returns than those which are obtained under the existing system, several years must elapse before the completion of the great irrigation works now in progress; and, until they begin to yield income, some general contribution from the Province will be unavoidable.

Arrangements with Local Governments about Extraordinary Works.

As a matter of principle, I think that the larger portion of charges such as those of which I am speaking, ought to fall on the owners of land, rather than on other classes, because the benefit conferred by these works will be permanent: the whole community, however, derives great advantage from them, and it is equitable that the non-agricultural class should contribute also: it is not thought desirable, at present, to impose fresh burdens on the land in the North-Western Provinces; and, without doing this, we can obtain what we want.

Proposed Legislation.

I will now give a sketch of the plans which are proposed, leaving it to my Honorable friend, Mr. Bazett Colvin, who may now be held to represent the North-Western Provinces in this Council, to describe, hereafter, the details of the measures which will require legislative sanction.

Modification of Local Rates Act, 1871.

The first of the proposed measures will be a not very extensive amendment of Act XVIII of 1871, which provides for the levy of rates on land for local purposes. Although these rates were only placed on a strictly definite and legal basis in 1871, they have been levied, for many years past, in the greater part of the North-Western Provinces: every estate in which the settlement of the Land Revenue is subject to revision, is liable to the payment of a local rate, not exceeding five per cent., on the annual value of the land: in permanently settled estates, rates are levied for the same purposes at an amount not exceeding annually two annas for each acre under cultivation. All these rates are, in the first instance, credited to a General Provincial Fund, from which the Lieutenant-Governor is bound to assign amounts to be applied in each district for certain specified purposes: these are the construction and maintenance of Roads and Communications; Rural Police; District Post; Education; Hospitals; Lunatic Asylums; Markets; Wells and Tanks; and other local works likely to promote the public health, comfort, or convenience: the annual assignment made to each district must not be less than the total amount of local rates levied in it; but any portion of such assignment which remains unexpended at the end of the year may be spent in any way which the Lieutenant-Governor thinks beneficial to the North-Western Provinces generally.

The principle is thus recognized, that these rates may, in part at least, be expended on objects of provincial utility; and, as a matter of fact, a large portion of them has been so expended. As it is not now wished to increase the burdens on the land, all that is proposed is to authorise the Local Government to make assignments from the local rates for the purpose of meeting charges on account of Irrigation works and Railways of provincial utility: it is proposed to fix the maximum amount of such assignments at 10 per cent. of the total sum levied under the Act, leaving 90 per cent. to be spent as at present; but I see no reason for anticipating that the actual proportion of the rates so assigned will amount to this maximum. The total amount of the local rates levied annually in the North-Western Provinces is about £430,000, and the proposed amendment of the law will not seriously diminish the existing grants for local purposes.

License Tax on Trades and Dealings.

The second measure now proposed is the imposition of a light License Tax on trades and dealings in the North-Western Provinces. The Bill that will be laid before the Council is taken, in great measure, from a Bill proposed by Sir William Muir when he was Lieutenant-Governor in 1871, under the belief that it would be necessary to impose fresh taxation for provincial purposes: that Bill was introduced into this Council by Mr. Inglis, and passed through Committee; but the Lieutenant-Governor came to the conclusion that additional taxation was after all not necessary, and the Bill was dropped. The original Bill imposed small duties on certain specified trades, and the amount of the duties in no way depended on any trader's means: although, in this respect, the new Bill will not be so satisfactory as the old one, which would not yield as much money as we require, and the estimated receipts from which are admitted to have been greatly over-rated, no inquisition will be made into any man's actual profits, and the measure will not be an income tax in disguise: it will be similar to the License Taxes actually imposed for local purposes in many large Indian towns, and to the Pándhri tax, which has long been levied in the Central Provinces. The principal trades, as the Council will see from the Bill

which I hope to be allowed to introduce to-day, have been classified and graded, and a specific sum is put down against each class and grade: the highest license fees proposed are those on Bankers and Wholesale dealers in country-produce, and they vary from Rs. 16 to Rs. 64 a year: other traders will have to pay smaller sums, which are in some cases as low as Rs. 2, and in no case exceed Rs. 32. It is extremely difficult to say what this measure will probably yield, but, for my present purpose, I will assume it to be £50,000 a year.

Arrangements with Local Governments about Extraordinary Works.

If the plans which I have described are carried into effect, the first step for the Local Government to take will be to look thoroughly into its Public Works Establishments, and to consider whether the existing system under which the canals are managed, and under which the canal revenue is collected, cannot be improved and made less costly; it will then have to consider what means can be taken for increasing the income yielded by the existing canals: there will, therefore, I hope, be no necessity for depending only upon new taxation and on the assignments from local rates, for the means of meeting the new charges.

Other Measures.

The measures which I have thus described will, it is believed, enable the Government of the North-Western Provinces to satisfy, without difficulty, the obligations imposed upon it.

The whole of these arrangements have been settled in communication with Sir George Couper, the Lieutenant-Governor, and have received in all respects his cordial approval.

In the imposition upon Bengal of similar responsibilities for meeting the charges for extraordinary public works, similar principles will be applied; but, as the existing works are at present unprofitable, the sum to be made good annually by the province will be larger than in the North-Western Provinces: it will amount at present to about £275,000.

Arrangements with Bengal.

The Government of India is in communication with the Local Government on this subject: the Lieutenant-Governor will consider what portion of the whole burden can be recovered from the people who are primarily benefited by the works which have been constructed, and what portion must be raised by fresh taxation upon the province at large: I hope that, so far as the immediate demands of the Supreme Government are concerned, there may be no necessity for throwing on the Province generally the whole of this new demand; but, on the other hand, it must be remembered that the obligations which have been placed on the Local Government will, unless the income from the works be rapidly developed, have an undoubted tendency to increase. It must also be remembered that there are new works of extreme importance urgently required in the interests of the people of Bengal for which, under the system we are now inaugurating, the Government of India will not make itself responsible. Whatever legislation may be necessary will take place, not in this Council, but in that of the Lieutenant-Governor, and it would be improper in me to refer in detail to the measures which His Honor may think fit to initiate: any schemes for new taxation must of course first receive the sanction of the Supreme Government. It is hoped that the Government of Bengal will avail itself, as far as possible, of existing modes of raising revenue, and endeavour to extend and expand them, rather than have recourse to new and unfamiliar systems of taxation, and that it will be able to carry out all necessary measures through its present establishments: even if it were possible to devise new forms of taxation theoretically better than the forms which already exist, it would still be wiser to adhere to systems understood by the people, rather than adopt innovations which might cause dissatisfaction and apprehension, and which might lead to oppression through the creation of new collecting and assessing machinery. Although the amount to be raised is in itself considerable, the increase of taxation which it involves will really be very small, when distributed over an enormous population: I have no doubt that the Local Government will be able to adapt successfully its present system to meeting this increased demand: I am sure that it will be the universal feeling, not only of this Council, but of the public, that the initiation of the necessary measures could not be in better hands than in those of my honorable friend Mr. Eden; and in regard to this matter the views of the two Governments are completely in accord.

Arrangements with Local Governments about Extraordinary Works.

THE PUNJAB.

In regard to the Punjab, I can say nothing definite at present: it is thought desirable to wait until the Government arrives at Simla, when it will have the advantage of the presence and co-operation on the spot of the Lieutenant-Governor and some of his most experienced officers: meanwhile, I have the satisfaction of knowing that my honorable friend and present colleague, Mr. Egerton, who will, before long, assume charge of the office of Lieutenant-Governor, will give his cordial support to the principles which have been laid down, and that he anticipates no serious difficulty in their application to the Punjab.

The total amount of the contributions thus made to the Imperial Treasury for Bengal and the North-Western Provinces is estimated to be, in 1877-78, £375,000.

The combined result of the arrangements made with the Local Governments in regard to both Ordinary and Extraordinary income and expenditure is that the estimates of the coming year have been improved to the extent of £520,000: it will be understood, from what I have already said, that it is not now possible to state exactly what portion of this amount will be provided by new taxation; but it will not exceed £325,000, and will probably be less.

Famine Finance.

FINANCE OF FAMINE RELIEF.

The questions of which I have been speaking are closely connected with another subject of great importance. In a despatch to the Government of India, dated the 25th November 1875, the Secretary of State called attention to the question of the proper incidence of the charges which have to be incurred for the relief of famine: he said that, however plain may be the primary obligation of the State to do all that is possible towards preserving the lives of the people, it would be most unwise to overlook the great danger of tacitly accepting, if not the doctrine, at least the practice, of making the General Revenues bear the whole burden of meeting all local difficulties or of relieving all local distress, and of supplying the needful funds by borrowing in a shape that establishes a permanent charge for all future time.

LOCAL RESPONSIBILITY.

The Secretary of State fully admitted the difficulty of a satisfactory solution of the question of how local resources can be applied to aid in meeting local wants; but he said that this difficulty ought not to be allowed to obscure the perception of the vital importance of such a solution to the future well-being of the country, and the necessity for establishing some system under which shall be suitably recognized the undoubted responsibility which rests on the people themselves to provide for their own support.

In the instructions lately issued by the Government of India to Sir Richard Temple, in respect of the inquiries which he is now conducting with signal ability and success in the famine-stricken districts of Madras and Bombay, the same doctrine of the necessity for enforcing some system of local responsibility for providing local relief was recognized by the Government of India;

NO PRACTICAL CONCLUSION YET FORMED.

and I wish that it were now in my power to inform the Council that some practical conclusions had been arrived at. This I cannot do; but the question will receive the careful consideration of the Government, and I hope that a useful solution of it may be found, by which, while the Imperial revenues are duly protected, no unjust or excessive burdens shall be imposed upon local or provincial interests: this last condition is obviously essential. Meanwhile, the measures which I have been explaining are a step in the direction which I have mentioned; by throwing upon each province the responsibility for meeting the charges necessary for providing the canals and railways required to protect its own people against famine, we give practical recognition to the principle on which the Secretary of State has insisted, and we obtain, to a certain extent, though far from completely, that safeguard for the Imperial Revenues which he thought so necessary. This at least is certain, that the relief of famine must be looked on as an ordinary charge to be met from revenue, and not from borrowed money.

DUTY OF STATE TO PRESERVE LIFE CLEAR.

The question has often been raised of late, whether it is really possible for the State to undertake the responsibility of preserving the lives of the people during famines, the periodical recurrence of which in India must unhappily be looked upon as certain: for my own part I do not think the answer difficult: it seems to me idle to discuss whether the Government of India, on account of

financial considerations, can deliberately allow people to die of starvation: it is quite clear that it can do nothing of the kind: it is a fact which has to be accepted that life must be saved, whatever be the cost. It is conceivable that the performance of such a task might become impossible; but I can conceive many other causes which would make the Government of India by the English impossible; and I see no use in speculating on what may happen, in consequence of financial or other ruin, in some distant future, under circumstances which cannot now be foreseen. Famine Finance.

I have tried to read for myself the lessons of the past, and they appear to me to show that if we treat this great famine question in a rational way, and base our measures on true principles, we shall find no insuperable difficulty in dealing with it. The first thing to be distinctly declared is that, while the State fully accepts the necessity of saving life, and of preventing extreme distress, it refuses to attempt to take upon itself, in time of famine, more than in any other time, the impossible task of preventing and relieving all human suffering; and that we will not allow the strong and natural desire to provide immediate remedies against present misery, to blind us to the duties which we owe to the people of the Empire at large, and to future generations. The task of giving relief to all those who suffer, offers the noblest opportunities of doing good to well-applied private charity and intelligence and zeal; but it cannot be undertaken by the State. CAN BE DISCHARGED WITHOUT RISK OF INSOLVENCY.

So far from the experience of past and present famines showing that the performance by the Government of its proper duties in regard to the relief of famine is, on financial grounds, impossible, all the facts seem to me to point to an opposite conclusion: it is not only in the relief of famine that it is easy to throw away millions; and, whenever there has been a very heavy expenditure on famine relief, it has (such at least is my belief) resulted from causes which, we can now see, might have been avoided, and which we ought to be able to avoid in future.

I earnestly hope that we shall not allow the present famine to pass away, without learning from it the necessity of adopting a clear and definite policy for dealing with such calamities in future: I believe that we can undertake to do everything that a Government ought to do, without any of the ruinous consequences which are sometimes predicted. Very serious obligations are undoubtedly imposed upon us: we must, and will, take measures for guarding against the dangers with which these periodical famines threaten our finances; and, although I cannot now say what those measures will be, the Government of India will not shrink from the duty which rests upon it.

When, my Lord, only a few months ago, I accepted my present office, I looked forward confidently to proposing, in my first Financial Statement, several fiscal reforms of extreme importance: I hoped, among other things, that we should have been able to undertake measures which it has long seemed to me are more urgently required than almost any that can be named; measures for the reform of the system under which the salt duties are levied throughout India; for enabling the people, through vast tracts of country, to obtain what they cannot obtain now—plentiful supplies of cheap salt; for abolishing that opprobrium of our Government, the Inland Customs Line; and for getting rid, at the same time, of one of the very worst taxes ever levied by a civilised Government, the transit duty on sugar the produce of our own territories. I hoped, at the same time, that it would have been possible to take a really practical and decisive step towards redeeming the pledges given by the Secretary of State for the removal of the Customs duties on cotton goods: those pledges were, in my opinion, wisely given; and I looked forward with the greatest satisfaction to being able to take an active part in carrying out the policy which Her Majesty's Government has approved. Unfortunately these hopes have been disappointed: the terrible famine, from which so large a portion of India is now suffering, and which causes such unceasing anxiety to the Government and imposes such serious burdens upon the finances, has rendered it impossible to deal with these questions. The next best thing, however, to bringing great measures into effect, is to prepare the way for their execution hereafter; and I desire to tell the Council and the public what the policy is which Other fiscal reforms.

the Government is firmly resolved to carry out: the Government has a distinct programme which it intends to keep constantly in view.

The Salt Duties

There is, perhaps, no great Indian question which has provoked so much discussion as that of salt, and no question on which high authorities have come to more opposite conclusions: it has been declared, on the one hand, that among all the main sources of the existing income of the State, the tax upon salt is one of the best, and one of those least felt by the people, and that by means of it, we raise a great revenue with the least possible objection: it has been frequently declared, on the other hand, that of all taxes this is the worst and wickedest.

If I were to attempt to repeat to the Council all that has been said in support of these contending views, I should not get through my Financial Statement to-day: all that I can do is to state the conclusions of the Government, and the reasons for them: having, for many years past, given to this subject a large share of my attention, I feel great confidence that the policy is right which the Government, with the approval of the Secretary of State, intends to pursue.

ARE UNOBJECTIONABLE IN PRINCIPLE.

It is unnecessary now to discuss the question whether salt is or is not a proper subject for taxation in India; we, obviously, cannot do without the revenue which it gives us: for my own part, however, I believe the tax to be, on principle, open to no objection; and this is the view which was laid down by the Secretary of State when the question was before him some years ago. I will read to the Council an extract from a despatch from the Duke of Argyll on this subject, dated the 21st January 1869, not only because it appears to me to express, with great clearness, views which are statesmanlike and true; but because it contains, I believe, the last authoritative statement of opinion on this subject given by Her Majesty's Government to the Government of India:—

"On all grounds of general principles, salt is a perfectly legitimate subject of taxation: it is impossible, in any country, to reach the masses of the population by direct taxes: if they are to contribute at all to the expenditure of the State, it must be through taxes levied upon some articles of universal consumption. If such taxes are fairly adjusted, a large revenue can be thus raised, not only with less consciousness on the part of the people, but with less real hardship upon them than in any other way whatever: there is no other article in India answering this description upon which any tax is levied: it appears to be the only one which at present, in that country, can occupy the place which is held in our own financial system by the great articles of consumption from which a large part of the imperial revenue is derived. I am of opinion, therefore, that the Salt tax in India must continue to be regarded as a legitimate and important branch of the public revenue.

"It is the duty, however, of the Government to see that such taxes are not so heavy as to bear unjustly upon the poor, by amounting to a very large percentage upon their necessary expenditure.

"The best test whether an indirect tax is open to this objection is to be found in its effect upon consumption.

"I observe that several of those officers whose opinions upon this question have been given in the papers before me, found that opinion upon what they have heard, or what they have not heard, in the way of complaint among the native population: but this is a very unsafe ground of judgment: it is one of the great advantages of indirect taxation, that it is so mixed up with the other elements of price, that it is paid without observation by the consumers: even at home, where the people are so much more generally educated, and more accustomed to political reasoning, the heavy indirect taxes formerly levied upon the great articles of consumption were seldom complained of by the poor: they were not themselves conscious how severely they were affected by those taxes, and how much more of the articles they would consume if the duties were lower. But whilst this peculiarity of indirect taxation makes it a most convenient instrument of finance, it throws additional responsibility upon all Governments which resort to it, to bring the most enlightened consideration to bear upon the adjustment of taxes which may really be very heavy and very unjust, without the fact being perceived or understood by those on whom they fall."

The Government has endeavoured to give to this great question the consideration which the Secretary of State thus referred to: Does the Salt tax press heavily and unjustly on the people?

I must state, in the first place, that, although the Government of India has adopted the conclusions which I shall presently describe, it must not be supposed that the Government is committed to every opinion which I am about to express: I do not know that, in fact, any difference of opinion exists among the members of the Government; but, on a question of so much difficulty, there may be many matters of detail in which unanimity can hardly be expected.

The Salt Duties.

The circumstances under which the Salt duties are levied vary greatly in different parts of India. Bengal and Assam, with sixty-seven millions of people, get nearly the whole of their salt supply from Cheshire, a result mainly of the fact that the exports which India sends to Europe greatly exceed the imports which she receives: salt comes virtually as ballast. Almost the only local source within easy reach, from which Bengal can obtain salt, is the sea, and the natural facilities for making salt on the Northern coasts of the Bay of Bengal are not great: the climate is so damp that salt cannot easily be obtained by the cheap process of solar evaporation; and owing to the vast quantities of fresh water poured in by the Ganges and Brahmaputra, the sea is less salt than on the other shores of India.

Sources of Salt supply.

Bengal.

In Madras and Bombay, on the other hand, containing together about forty-seven millions of people, the manufacture of salt from the sea is cheap and easy; and, for these Presidencies, as well as for the greater part of the Central Provinces and the Native States of Southern India, the sea is the great source of supply.

Madras and Bombay.

Coming to Northern India we find that the Punjab possesses inexhaustible supplies of rock-salt, which is consumed by about fourteen millions of people. Throughout the North-Western Provinces and Oudh, and a portion of the Central Provinces and of the Punjab, on the other hand, although there are many places where more or less impure salts can be produced, the home sources for the supply of good salt could never be sufficient: forty-seven millions of our own subjects depend almost entirely for their salt on the Native States of Rajputana or on places on the confines of those States.

Northern India.

The system under which the duty is levied, and the rate of duty, vary in the different provinces. In Madras and Bombay the rate of duty is Re. 1-13 per maund (82 lbs): in Madras, this is collected under a monopoly by which all salt is manufactured on behalf of the Government, and sold to the people at a price which gives a profit equivalent to the duty: in Bombay the duty is levied as an excise. In Lower Bengal the tax is Rs. 3-4 per maund, and is levied chiefly in the form of a Sea Customs Import duty. In the Upper Provinces of this Presidency the rate is Rs. 3 per maund: in the Punjab, this is included in the selling price of the rock-salt, which is the property of the Government; in the rest of the Upper Provinces, the duty is levied when the salt is imported from Rajputana.

Varying rates of duty.

For this purpose, and to prevent the ingress of salt taxed at lower rates, a Customs Line is maintained, extending from a point north of Attock to near the Berar Frontier, a distance of more than fifteen hundred miles: similar lines, some hundreds of miles in length, are established in the Bombay Presidency, to prevent untaxed salt from Native States entering British territory. Along the greater part of this enormous system of Inland Customs Lines, which, if they were put down in Europe, would stretch from London to Constantinople, a physical barrier has been created, comparable to nothing that I can think of except the great wall of China: it consists principally of an impenetrable hedge of thorny trees and bushes, supplemented by stone walls and ditches, across which no human being, or beast of burden, or vehicle, can pass without being subjected to detention and search: it is guarded by an army of some eight thousand men, the mass of whom receive as wages six or seven rupees a month. The bare statement of these facts is sufficient to show the magnitude of the evil.

The Inland Customs Line.

Although I believe that every thing is done, which can be done under such circumstances, to prevent abuses, it may be easily imagined what inevitable and serious obstruction to trade, and annoyance and harassment to individuals, must take place: I remember a graphic account by Sir George Campbell, in which he described the evils of the system, and the instruments of the nature of cheese-tasters which are thrust into the goods of every one whose business takes him across the line. The interference is not confined to the traffic passing into British territory; for, owing to the levy of the export duty on sugar, to which I have still to refer, the same obstructions are offered to the traffic passing in the other direction. In spite, however, of the evils inseparable from the existence of an Inland Customs Line, it is practically impossible to dispense with it so long as we levy our Salt tax at different rates in different Provinces, and have no means of controlling the manufacture and

The Salt Duties.

taxation of salt produced in Native States until the salt reaches the British Frontier.

DESIDERATUM A CHEAP AND AMPLE SUPPLY.

The great object at which the Government ought to aim is to give to the people, throughout India, the means of obtaining, with the least possible inconvenience, and at the cheapest rate consistent with financial necessities, a supply of salt, the quantity of which shall be limited only by the capacity of the people for consumption.

INADEQUACY OF EXISTING SUPPLY IN NORTH-WESTERN PROVINCES.

Although much has been done, during the last six or seven years, towards this object, we are still far from its attainment: a comparison between the average consumption of salt per head in different parts of India proves, incontestibly, that, where salt is cheap and abundant, the consumption is much larger than where it is dear, and where the supply is restricted. In Madras, for instance, the recent inquiries of the Salt Commission show an average annual consumption of more than 12 lbs. per head; and, in the greater part of the Bombay Presidency, the rate does not fall much short of this: in Bengal the consumption is about 9½ lbs. per head; while in the North-Western Provinces and Oudh, although it is very difficult to speak positively on the subject, the rate can hardly exceed, if indeed it amounts to, 6 lbs. per head.

PRESENT SYSTEM UNPROFITABLE.

The existing system in Northern India has not even the merit of being financially profitable: for instance, the Madras Salt Commission show that thirty-four millions of people in that Presidency pay Salt duty at Re. 1-13 per maund, amounting to £927,000: if these people, instead of consuming more than 12 lbs. a head, consumed, like the people of Northern India, less than half that amount, and paid a duty of Rs. 3 per maund, the revenue would be only £750,000. There can be no doubt that, in the interests of the revenue, the best system would be that under which we should levy throughout India a low rate of duty on unrestricted consumption.

I have a strong belief that more than a hundred millions of people fail now to obtain a full supply of salt: I do not for a moment assert, nor do I believe, that the actual supply is insufficient for the preservation of health; nor do I at all agree with those who maintain that the salt tax presses with extreme severity on the poorer classes: but, however this may be, it is a great evil that the supply of this necessary of life should be restricted; and the restriction is not only mischievous in respect of human consumption, but in this way also, that there is little salt for the cattle, and little for any of the manufacturing processes in which it would be useful.

PRICE DEPENDS ON COST OF TRANSPORT AS WELL AS DUTY.

It must not be forgotten, however, that the price of salt depends not only on the amount of the duty imposed, but on other charges: for example, as I have said elsewhere, the North-Western Provinces depend practically for their salt on the inexhaustible supplies which exist in the Native States of Rajputana: for a long time, the British Government acted as if it were its object to aggravate by artificial obstructions, the natural difficulties in bringing the salt into its own territories; we placed between our markets and the salt sources a great Customs Line; imposed on all salt crossing it a heavy duty; and ignored everything on the other side of that line: thus, for example, salt from Sámbhar had to find its way two hundred miles through Native States, with no roads or bridges, and subjected to imposts, and exactions, and hindrances of every kind, until, at last, it came to the greatest hindrance of all, our own preventive line.

For such a state of things it was obvious that the mere reduction of the duty would do little or no good: the salt dealers, and not the consumers, would have been the chief gainers: with the existing means of communication, it was a physical impossibility to bring from Rajputana the salt required for some fifty millions of people: that task was one that could not be performed by any number of carts, and camels, and ponies which it was possible for the country to furnish; and these were the only means of transport: therefore it was that I have sometimes asserted that there was a salt famine in Northern India, meaning thereby, not only that salt was dear, but that sufficient salt could not be provided. For such a condition of things reduction of duty would no more afford a remedy than it would be a remedy in a food famine to give money to the people when no food existed in the markets: Lord Mayo saw

that there were two essential conditions to be fulfilled before relief could be found: it was necessary to provide cheap means of transport, to a practically unlimited extent, between the salt of Rajputana and our own markets; and also to make arrangements by which the price of salt to our people should be freed from influences outside our territory. The Salt Duties.

The first condition could only be provided by making railways into Rajputana; the second condition rendered it necessary that our Government should obtain complete control over the manufacture and supply of salt at the chief places of production. The first of these two conditions has recently been fulfilled by the extension of Railway communication from Agra and Delhi to the Sámbhar salt lake: towards the second a great step was made when we obtained, under Lord Mayo's Administration, from the States of Jaipur and Jodhpur, the lease of this lake, the most important of the salt sources of Rajputana, and acquired, by an amicable arrangement, which was as profitable to the Native Chiefs as to the British Government, the complete control over the local manufacture of salt. Rajputana Railways. Lease of Sambhar Lake.

The practical result of these measures has already been, not only to facilitate the supply of salt to the Upper Provinces, but greatly to reduce its price: salt which, before 1869, was sold at Agra for Rs. 5-12 per maund, is now procurable for Rs. 4, and the price is still diminishing. Reduction effected in price.

During the Administration of Lord Northbrook, another important step in advance was taken: in 1874 about 800 miles of the Customs Line in the Central Provinces, maintained for the purpose of levying the difference between the duty on salt levied in the Central Provinces and that levied in the Bombay and Madras Presidencies, was abolished: at the same time, the difference between the rates of duty levied in the Bengal and Madras Presidencies was shaded off by a sliding scale down the Orissa and Ganjam Coast: the result of these measures has been greatly to reduce the price of salt in the Central Provinces and in Orissa, with practically no financial loss to the Government. Abolition of Southern Line.

Recently the extension of the Northern State Railway to Jhelum has stimulated the sale of rock-salt at the Government mines in the neighbourhood, and decreased its price to the people. Punjab Northern Railway.

We are, at present, engaged in further negotiations with the Native States of Rajputana, which, when completed, will enable us to abolish the greater part of the Inland Customs Line, and to establish, instead of it, a system of local management at the places of production: the measures now in progress will benefit not only the British Government, but the Native Chiefs also: there is no antagonism between our interests; and I confidently anticipate a successful issue. It will not, however, be possible to abolish the Inland Customs Line simultaneously with our obtaining the control over the manufacture of salt at the places of production: there will be, for some time, in Rajputana and Central India, large quantities of salt which have left the places of production and are scattered about in the hands of traders: if the Customs Line were removed, this salt might be brought into British Territory; and, if it could not be taxed, a corresponding loss would be occasioned to our Salt Revenue. Although, therefore, establishments on the Line may be, to some extent, reduced, the line will not be removed, or the pass system abolished, until the Government is satisfied that there do not exist outside the Line large stocks of salt which has not been taxed, and which cannot be otherwise prevented from entering British Territory until it is taxed. Nor would it be safe to abolish the Customs Line until we learn by experience whether our arrangements for controlling the salt manufacture are efficient or not. Negotiations with Rajputana Chiefs.

Morever, before these objects can be accomplished, it will be necessary to take steps towards the equalization of the duties on salt; and this is also an indispensable preliminary to their general reduction: I had hoped on this occasion to have been able to announce some immediate measures in this direction; but, as I have already stated, this is rendered impossible by the famine. I should have been glad, had it been possible, to have seen an immediate reduction in the rate of duties in the Bengal Presidency to that in force in Madras and Bombay: but there is reason to fear that, before this point can be reached, it will be necessary that some temporary mea- Equalization and reduction of duties on salt.

Sugar Duties.

sures should be taken for raising the lower rates of duties while lowering the higher.

SUGAR DUTIES.

I have alluded to the duties levied on sugar exported across the Inland Customs Line: these are one rupee per maund on refined sugar, and six annas per maund on unrefined sugar, or saccharine produce. Except where the line runs along the left bank of the Indus, exports across it are taken to Native States; but, when it passes the Indus, the sugar is merely taken from one part of British territory to another. This sugar is all the produce of our own people in the North-Western Provinces, Oudh, and the Punjab: it is one of the most important agricultural staples of those provinces; and it is important not only to the agriculturists and manufacturers and consumers, but directly to the Government, which looks greatly to sugar cultivation for its irrigation revenue.

PROTECTION OF MAURITIUS SUGAR.

While we are taxing heavily our own sugar grown on the east of the Customs Line, for the supply of the country beyond it, we admit into the same country the Mauritius sugar, which is imported largely to Bombay, taxed at a much lower rate. It is calculated that the Inland Customs duty is equivalent to 10 per cent. on the value; but the incidence of the duty varies considerably, particularly on refined sugar: on the cheaper kinds the duty is equivalent to more than 20 per cent. on its value: the sea import duty on Mauritius sugar is 5 per cent. *ad valorem*. I do not assert that there is, at present, any great competition between the sugar of the Upper Provinces of this Presidency and foreign sugar; but, so far as competition exists, the Inland Customs duty acts as a protective duty in favour of foreign and against our own sugar: to this extent, the duty must fall on the producer within the Customs Line. The competition will be more apparent and severe when the connection of the Rajputana State Railway with the Bombay and Baroda Line is completed.

Little or no sugar is grown in Rajputana or Central India; and the increase of price caused by the Inland Customs Line must tend to diminish consumption, and so, still further, to injure the producer: it is impossible to estimate the injury to the people and the Government caused by placing artificial obstructions on the export of one of the great agricultural staples of the country; and such obstructions obviously affect not only the export but the import trade as well: the Government of India has repeatedly urged upon Native States the policy of abolishing their transit duties; but it is difficult to see with what consistency we can do this, so long as we retain our Sugar duties. They yield about £165,000 a year: this is my only excuse for not proposing their instant abolition: they will, at any rate, disappear with the abolition of the Inland Customs Line.

Cotton Duties.

My Lord, I have reserved to the end of my Statement the remarks which I wish to make regarding the Customs duties on cotton goods. I do not now wish to re-open the discussion which was finally closed last year by the Secretary of State: it was then decided by Her Majesty's Government that "the interests of India imperatively require the timely removal of a tax which is at once wrong in principle, injurious in its practical effect, and self-destructive in its operation." The Secretary of State, while leaving to the judgment of the Government of India the mode in which the policy thus laid down should be carried out, declared his opinion that measures for the abolition of these duties should have priority over every other form of fiscal relief to the Indian taxpayers. Financial embarrassments arising from the depreciation of silver prevented any practical steps being taken, last year, in this direction: it was thought unwise to give up any revenue at such a time; and the Secretary of State concurred in this decision. It is with great regret that I have to announce that, for reasons similar to those which prevailed a year ago, it has been decided that nothing can be done, at the present moment, towards the abolition of these duties: the financial difficulties caused by the famine are so serious that we cannot sacrifice any source of income.

CANNOT BE REDUCED THIS YEAR.

I regret this, not only because we are thus unable to carry out the orders of Her Majesty's Government, to which this Government owes a loyal and unhesitating obedience, but I regret it, personally, because, as the Council are aware, I am no recent convert to the policy which has been laid down, but have been, for many years past, one of those who have advocated the abolition of these duties at the earliest possible opportunity.

Cotton Duties.

I altogether disbelieve that there is, in this matter, any conflict between Indian and English interests: I am satisfied that these interests are identical, and that they alike require the abolition of this tax. I will not speculate on what ought to have been done if the case had been different; but there is one thing which I wish to take this opportunity of saying: we are often told that it is the duty of the Government of India to think of Indian interests alone, and that if the interests of Manchester suffer it is no affair of ours: for my part, I utterly repudiate such doctrines: I have not ceased to be an Englishman because I have passed the greater part of my life in India, and have become a member of the Indian Government. The interests of Manchester, at which foolish people sneer, are the interests not only of the great and intelligent population engaged directly in the trade in cotton, but of millions of Englishmen: I am not ashamed to say that, while I hope that I feel, as strongly as any man, the duties which I owe to India, there is no higher duty in my estimation, than that which I owe to my own country. I believe that our countrymen at home have a real and very serious grievance, and that it is no imaginary injury against which they complain: I know that Your Excellency has resolved that the Government of India shall not shirk this business; and there need be no fear that it will be regarded in any half-hearted spirit. Your Excellency took the earliest opportunity which could be found, after you had assumed the office of Viceroy, to declare publicly your views upon this subject; and if I say no more regarding it now, it is mainly because I feel sure that Your Excellency will not lose the present opportunity of publicly declaring those views again: for myself personally, if I had not confidently expected to take part in this great reform, I doubt whether anything would have induced me to accept my present office; and I trust that I may still have a share in the performance of a task which I look upon as one of the most important which this Government has before it.

THE GOVERNMENT PLEDGED TO THEIR ABOLITION HEREAFTER.

POSSIBLE FUTURE ABOLITION OF ALL CUSTOMS DUTIES IN INDIA.

It is important, in my opinion, not only on its own account, but for the results which may follow hereafter. The net Sea Customs Revenue proper of India amounted in 1875-76 to £2,475,530, of which the duties on cotton goods yielded £850,000: when the cotton duties are removed, there will remain export duties on rice, indigo, and lac yielding together £620,000; and import duties on a multitude of articles yielding £930,000. Excluding the duties on cotton goods, the export and import duties together give £1,550,000: many of these duties are so objectionable that it is impossible that they can last: and can it be supposed that we should long continue to maintain huge establishments for the purpose of levying the small remnant of revenue that might survive? The truth is that cotton goods are the sole article of foreign production which the people of India largely consume, and there is no possibility of deriving a large customs revenue from anything else: I do not know how long a period may elapse before such a consummation is reached; but, whether we see it or not, the time is not hopelessly distant when the ports of India will be thrown open freely to the commerce of the world.

Conclusion.

I feel, my Lord, that the Statement which I have made to-day is open to this general objection, that I have said comparatively little of what has actually been done, and a great deal of what may be done in the future: I may be told that it is seldom wise for a Government to go out of its way to pledge itself to Measures which it intends to adopt hereafter, and which may turn out, after all, to be impracticable. Under our present circumstances, I do not think that this is applicable to us: a distinct conception having been formed of some at least of the great objects at which our financial policy ought to aim, it seems to me highly desirable that a clear and public avowal of those objects should be made: the Government may thus hope to obtain the greatest advantage which an honest Government can desire,—a full examination and discussion of its proposed policy: such discussion will either help it to carry that policy into effect, or will enable it to avoid errors into which it might otherwise fall.

I have now, my Lord, finished my Statement: I have endeavoured to place before the Council and the public all the facts which it seemed to me might help them to form an accurate judgment on our financial position and on our

proposed policy: I have not attempted to keep out of sight anything which was unpleasant; but have perhaps rather been inclined to err in the other direction, and to bring almost too prominently into notice the weak points of our financial administration.

The final result which seems to me to come out very clearly is that the finances of India are, on the whole, in a prosperous and satisfactory state; and, that although there are some serious defects of system, they can certainly be removed: while I do not disguise from myself the fact that there may be grave difficulties before us, I look forward to the future not only with hope but with confidence.

FINANCIAL STATEMENT FOR 1877-78.

PART II.—MINUTE, DATED 15TH MARCH 1877, BY THE HON'BLE SIR JOHN STRACHEY, K.C.S.I., ON THE ACCOUNTS OF THE REVENUE AND EXPENDITURE AND RECEIPTS AND DISBURSEMENTS OF BRITISH INDIA IN 1875-76, AND THE REVISED ESTIMATES FOR 1876-77.

Preliminary.

I PROPOSE, in this Minute, to review the Accounts of Revenue and Expenditure and Receipts and Disbursements, which are now completed for the year 1875-76, and the Revised Estimates for 1876-77, the year which is now about to close. My explanation of the Budget Estimates for the ensuing year, 1877-78, will, on this occasion, be made in the Legislative Council.

CHANGES IN THE FORMS OF THE ACCOUNTS.

I must, in the first place, explain that the Abstract Statements of the Accounts of the Revenue and Expenditure of 1875-76 and the Estimates of 1876-77 and 1877-78 which I have now the honor to place before the Council, differ in form from the Statements prepared during the last seven years.

From the 1st April 1871, the Government of Lord Mayo entrusted to the management of the Local Governments and Administrations certain important services, with Consolidated Allotments from the Imperial Revenues for their support; and the revenues connected with these services were, at the same time, surrendered for provincial uses. It was thought inexpedient to retain in the Imperial Accounts and Estimates the details of the revenue and expenditure thus made over to the Local Governments: accordingly, since 1871-72, these transferred Heads of Revenue and Expenditure have been excluded from the General Estimates and Accounts, the whole transactions respecting them being represented, there, by a single net entry under the Head *Allotments for Provincial Services*. The details thus omitted have been published in subsidiary statements, and each Local Government has given due publicity to its own Provincial Estimates and Accounts.

The Government of India now sees reason to regret the method then employed, because, by this method, figures of interest and importance are relegated to subordinate statements; the General Accounts and Estimates become incomplete; and the character of the arrangements between the Imperial and the Local Governments is not truly represented, or their operation sufficiently illustrated. The Government of India has, therefore, resolved to re-introduce into the Imperial Accounts and Estimates all the details omitted therefrom since 1871-72.

Accordingly, in the Abstract Statements which I now present to the Council, the heads of *Police* and *Education* appear again on each side of the Account, and the head *Allotments for Provincial Services* disappears, its elements being distributed among the several Heads of Revenue and Expenditure from which they were originally subtracted. Moreover, the Statements contain three new Adjusting Heads which are necessary in consequence of the arrangements between the Imperial and Local Governments, and which will, I believe, usefully illustrate the practical working of these arrangements.

The Local Governments are entitled to keep for provincial uses any surplus, while they must make good from provincial resources any deficit, upon their Provincial Accounts as a whole; such surplus is added to, and such deficit, in the first resort, supplied from, the Balances of the Local Governments in the hands of the Imperial Government. These additions and subtractions will henceforth be recorded under the Heads *Balances of the Local Governments Increased* and *Balances of the Local Governments Decreased*.

NEW ADJUSTING HEADS.

Preliminary.

It may happen, however, that the balance at credit of a Local Government does not suffice to cover a deficit in its Provincial Accounts; or, for other reasons, a Local Government may think it right to contribute funds from its separate provincial resources in support of the Imperial services which it administers. Whenever such contributions are made, they will be recorded under the Head *Provincial Contributions*. It is not deemed expedient to open on the expenditure side a corresponding account of *Contributions to Local Funds*, because, although such contributions are frequent, and might be found to counterbalance some substantial part of the *Provincial Contributions*, their object and destination can always be classified under some Service Head, and it is considered better thus to classify them, than to show them under a mere Transfer Head, which would give no information as to the nature of the service for which they are made.

Taking the three Adjusting Accounts *Provincial Contributions*, *Balances of the Local Governments Decreased*, and *Balances of the Local Governments Increased* together, a very good idea can be formed of the financial working of the arrangements with the Local Governments.

Re-amalgamation of Provincial and Imperial Accounts.

The engagements between the Imperial and Local Governments will no longer affect the form of the Imperial Accounts and Estimates, except through the adjusting accounts which I have described. The Revenue and Expenditure under all other Heads will be recorded without any reference to the several responsibilities of the Imperial and the Local Governments, which will be matter for arrangement altogether apart from the Accounts. Thus, henceforth, any one wishing to ascertain the total imperial revenue and expenditure of British India, under the several recognised Heads of Account, will be able to do so from the General Accounts and Estimates. It seems to me that this will be an advantage; and that the re-combination of the Accounts and Estimates of the Imperial Revenues and Expenditure, whether immediately administered by the Imperial or by the Local Governments, into one Imperial Statement, will make the whole more intelligible, and enable both the Government of India to control the Revenue and Expenditure, and the public to criticise the Accounts, more effectually than heretofore.

It will be necessary for the Local Governments to excerpt, for their own information, the items of Revenue and Expenditure for which they are primarily responsible: they will be required to publish the Accounts and Estimates thus compiled, which will be of great local interest; but such local Accounts will not form a part of the Accounts of British India.

Transactions of Guaranteed Companies.

A change is made in the manner in which the transactions of the Guaranteed Railway and Madras Irrigation Companies are exhibited in Statements Nos. IV, V, and VI. Hitherto these transactions have been there shown net after elimination of the effects of the conditions of the contracts as to the rate at which, in the accounts between the Government and the Companies, Rupees are converted into sterling. Henceforth these transactions will be shown gross, in Rupees, just as they occur.

Abstract Statements prepared in Rupees.

I ask a passing notice for another change of importance in the character of the Abstract Statements. For the last ten years, these Statements have been prepared, ostensibly, in Pounds Sterling, on the hypothesis that the English Pound is equal to ten Rupees. Since the Revenue and Expenditure and Receipts and Disbursements of the Government of India, in India, are really calculated in Rupees, the value of which, compared with the English money of account, varies from time to time, it is plain that the Pound Sterling used in these Statements was not a real Pound Sterling, but a conventional money of account peculiar to this purpose. So long as the value of Rs. 10 did not much vary, as for many years it did not, from £1, there was a certain convenience in this arrangement; and the figures conveyed to English readers a meaning not very far from the truth: but, of late years, there has ceased to be any close or normal relation between Rs. 10 and £1, and Statements prepared upon the hypothesis of such a relation, are now untrue and misleading. I shall, therefore, revert to the use of Rupees in the Abstract Accounts and Estimates appended to the Financial Statement: the Secretary of State will use his own discretion as to the money of account in which the Accounts and Estimates presented to Parliament shall be stated. In combining the Sterling Receipts and Disbursements under each Head, at the

Home Treasury, with the Rupee Receipts and Disbursements under the same Heads at the Indian Treasuries, it is only a degree less incorrect to call the totals, under each Head, Rupees, than it is to call them Sterling: the consequent errors of detail, which, under the existing system, cannot be avoided, and which, as will appear in the course of this Minute, are often highly inconvenient, are neutralised in the Grand Totals by the entry of the sum of them under the adjusting Head *Loss by Exchange*; the errors do not involve some of the most important Heads or the Grand Totals; and, although I am unable at present to eliminate them, I prefer to state the Accounts and Estimates in Rupees, as, on the whole, much less misleading than if I were to state them in Pounds Sterling. Provincial Accounts, 1871—76.

PROVINCIAL ACCOUNTS, 1871—76.

Comparison of Provincial Accounts, 1870-71 and 1875-76.

It would have been interesting to compare the Accounts of the Local Governments for 1875-76 as now re-incorporated in the Imperial Accounts, with the corresponding portions of the last Accounts (for 1870-71), before the introduction of the system of Consolidated Allotments for Provincial Services; I shall attempt such a comparison in my Statement before the Legislative Council; but I fear that it cannot be made quite completely.

As already explained, it is possible that a portion of the expenditure for Education and Public Works now recorded as Imperial in 1875-76, would have been treated as Local in 1870-71 and *vice versâ*. In any case, the growth of the expenditure upon these important Services in the five years was trifling; and the Imperial Government has been, certainly, set free from importunate claims upon its resources.

Provincial Accounts of five years, 1871—76.

It will be remembered that the Governments of India inaugurated the Provincial system by granting to the Local Governments balances aggregating Rs. 20,00,000. Their receipts in the five years, apart from *Provincial Contributions*, have aggregated Rs. 29,57,31,568, and the sum of Rs. 55,93,660 has been contributed to the Delegated Services from Provincial Resources. The expenditure upon the Delegated Services has amounted to Rs. 30,03,76,338, and the balances of the Local Governments on the 31st March 1876 were Rs. 29,48,890. Of the whole expenditure, Rs. 15,27,296 is recorded as Contributions to Local Funds; but I am doubtful whether this can be accepted as accurately representing the relief to Local Funds by the transfer of expenditure from the Local to the Imperial category; the net burden upon separate Provincial Resources cannot, in any case, have been very heavy. Of the gross sum of Rs. 55,93,660 shown as *Provincial Contributions*, Rs. 8,98,434 is on account of *Famine Relief* in Bengal, and explains the abnormal amount recorded under this Head in 1875-76. The Abstract Account of the five years is as follows:—

Assigned Revenues of the Local Governments, and their Expenditure upon the Delegated Services, 1871—76.

	Rs.		Rs.
Opening Balance, 1st April 1871	*20,00,000*	*Expenditure on Transferred Services*	*30,03,76,338*
Assigned Revenues	*4,13,05,938*	*Closing Balance, 31st March 1876*	*29,48,890*
Allotments from Imperial Revenues	*25,44,25,630*		
Provincial Contributions ...	*55,93,660*		
Total ...	*30,33,25,228*	*Total* ...	*30,33,25,228*

In 1875-76, the Local Governments spent net Rs. 33,72,860* more than their Fixed Allotments and Assigned Revenues together, of which Rs. 18,91,710 was taken from the balances at credit of the Local Governments in the Imperial Treasury, and Rs. 14,81,150 was provided from Provincial Resources.

	Rs.	Rs.
* *Provincial Contributions*		*14,81,150*
Balances of the Local Governments Decreased	*23,33,590*	
Balances of the Local Governments Increased	*4,41,880*	
	18,91,710	
	33,72,860	

Provincial Contributions explained.

I think it well to offer a few further explanations of the Provincial Contributions, to which much interest attaches. The Local Funds in any Province are of two kinds: many of these Funds belong exclusively to particular

Accounts, 1875-76.

districts or localities, and can be expended only for their benefit; but, in each Province, there is a more or less considerable residuum at the disposal of the Local Government for use, at its discretion, throughout the Province. When the system of Consolidated Allotments of Imperial Revenue for certain Delegated Services was adopted, it was, at first, thought convenient to amalgamate the Accounts of the Transferred Services and Revenues with those of the Local Funds at the disposal of the Local Governments for general provincial purposes, and unnecessary to maintain any separation between these two Accounts. But this amalgamation was found to be inconvenient; as it made it difficult for the Government of India to ascertain, from time to time, all the financial consequences of the new system as compared with the old. The Government of India determined, therefore, some time ago, to arrange for as complete a re-separation as possible of the transactions which would, under the old system, have been recorded in the Imperial Accounts, from those which would have been treated as transactions of Local Funds.

The abandoned system had made such progress that it is doubtful whether this separation can be completely effected as regards the past, or, even, whether it is, as yet, perfectly accomplished as regards recent and current expenditure. For this reason it cannot be said with confidence that the revenue hitherto recorded as *Provincial Contributions* is all of the nature of a demand upon separate Provincial Resources which would not have occurred under the old system. Indeed, it is certain that some considerable portion of these contributions is balanced by the record as imperial of expenditure which would, under the old system, have been a charge upon Local, or separate Provincial Resources. I hope, however, that the means will gradually be found of altogether removing from both sides of the Imperial Accounts, in future, all transactions which, under the old system, would, directly or indirectly, have been recorded under "Local Funds:" when this is effected, the demands upon local resources for imperial purposes will, I believe, be found to be, as yet, inconsiderable.

It will be seen from Statement No. VII that the whole sum raised in India in 1875-76 by Local Taxes, Rates, and Cesses was only Rs. 2,03,83,620: the estimated amount in 1876-77 is Rs. 2,07,32,000, and in 1877-78 Rs. 2,23,29,000. This last amount is, however, exclusive of new taxation to be imposed under the measures which I shall this day describe in the Legislative Council.

ACCOUNTS OF REVENUE AND EXPENDITURE, 1875-76.

Comparison between Regular Estimates and Accounts, 1875-76.

I proceed to explain the differences between the Regular Estimates of the Revenue and Expenditure of 1875-76 made by the Hon'ble Sir William Muir on the 31st March last, and the Accounts of that year as since completed.

Sir William Muir estimated that the Grand Total Revenue would be Rs. 50,99,10,000, and the Grand Total Expenditure Rs. 53,88,70,000; and that there would be a Deficit of Rs. 2,89,60,000; or (the Extraordinary Expenditure being estimated at Rs. 4,14,30,000), a Surplus on the Ordinary Account of Rs. 1,24,70,000. The completed Accounts show the Revenue to have been Rs. 52,51,57,887, the Expenditure Rs. 55,11,75,355, and the Deficit Rs. 2,60,17,468, being less than the estimate by Rs. 29,42,532: the Extraordinary Expenditure having been Rs. 4,27,06,290, the Surplus on the Ordinary Account was Rs. 1,66,88,822, being more than the Estimate by Rs. 42,18,822.

The Revenue has exceeded the Estimate by Rs. 1,52,47,887, and the Expenditure by Rs. 1,23,05,355. Of these excesses, Rs. 97,23,653 on each side of the Account is due to the re-incorporation, in gross, of the transactions of the Local Governments, which were represented in the Regular Estimates, by a single net entry; if this disturbing cause be abstracted, there remains an excess Revenue of Rs. 55,24,234, and an excess Expenditure of Rs. 25,81,702, of which Rs. 13,05,412 is in the Ordinary Section of the Account, and Rs. 12,76,290 is Extraordinary. This latter excess is due to the purchase of certain stores from the Guaranteed Railway Companies for the State Railways, a transaction not anticipated when the Regular Estimates were closed.

Accounts, 1875-76.

It is not necessary now to make any minute comparison between the details of Sir William Muir's Estimates and the Accounts, and I shall content myself with mentioning only the principal items of difference. Only two of the Heads of Revenue yielded, in a noteworthy degree, less than the estimate, *viz.*, *Salt*, Rs. 4,15,850, the clearances of Foreign Salt during March having been abnormally deficient, and *Irrigation*, Rs. 1,12,800, an old Account having been adjusted: all the other important Heads of Revenue show improvement, the chief items being as follows:

Land Revenue, Rs. 13,17,420, occurred in Bengal, where unexpected arrears were collected, and in Madras. So large a portion of the Land Revenue is collected at the close of the year, that it is impossible to secure absolute correspondence even between the Regular Estimates and the Accounts of Land Revenue.

Forest, net improvement Rs. 6,88,598, which occurred chiefly in British Burmah, and might perhaps have been foretold.

Marine, net improvement Rs. 5,35,639, chiefly in Bengal, where there was an unexpected transfer entry.

The only important failure in the Estimates of Expenditure is under *Refunds*, under which Head it became necessary to adjust a large erroneous credit of Land Revenue in Bombay.

The expenditure on *Famine Relief* was considerably less than the sum shown in the Regular Estimates. The Imperial Expenditure was, indeed, only Rs. 50,85,550, being less than the Regular Estimate by Rs. 14,74,450. But, under the new system of combining the two Accounts, the Provincial Expenditure, in 1875-76, upon the Famine, Rs. 8,72,243, is added to the Imperial Expenditure, and the whole becomes Rs. 59,57,793.

Comparison of the Original Estimates with the Accounts, 1875-76.

In the Original Estimates of Revenue and Expenditure for 1875-76 provision was made for a Surplus upon the Ordinary Account of Rs. 50,60,000. The actual Surplus was Rs. 1,66,88,822; and this, notwithstanding a revision of the Customs Tariff, in the middle of the year, with an estimated effect of Rs. 26,60,000 adverse to the Estimates; notwithstanding, also, an unestimated adjustment from the Imperial Revenues of Rs. 50,85,550 for *Famine Relief*.

The Revenues exceeded the Original Estimates by Rs. 1,72,34,234, and the Expenditure exceeded the Estimates by Rs. 56,05,412. The principal items of improvement are *Opium*, Rs. 50,28,600, and *The Army*, Rs. 51,31,540: minor improvements are *Land Revenue*, Rs. 12,47,420; *Forest*, Rs. 10,30,080; *Excise*, Rs. 12,63,770; and *Customs* (notwithstanding the revision of the Tariff), Rs. 4,46,580. The chief items of deterioration are *Famine Relief*, Rs. 50,85,550, and *Public Works Ordinary*, Rs. 19,05,530.

Of the Extraordinary Expenditure, Rs. 3,16,51,840 was spent upon Railroads, chiefly as follows:—

	Rs.		Rs.
Rajputana ...	33,69,370	Punjab Northern ...	32,69,800
Holkar ...	28,39,730	Sindhia ...	5,57,810
Neemuch ...	20,03,080	Tirhoot ...	9,75,760
Wardah Valley ...	14,08,940	Northern Bengal ...	31,88,540
Indus Valley ...	1,00,62,100	Rangoon ...	40,95,180

and Rs. 1,10,54,450 on Canals, principally as follows:—

	Rs.		Rs.
Orissa Canals ...	10,50,430	Lower Ganges ...	25,22,870
Midnapore ...	3,35,730	Western Jumna ...	4,91,340
Sône	25,75,140	Bari Doab ...	8,27,090
Ganges	5,82,550	Sirhind ...	14,84,260
Agra	5,91,450	Godavery Delta Works	4,48,300
		Moota Lake ...	3,35,650

Accounts, 1875-76.

CAPITAL EXPENDITURE TO END OF 1875-76.

The Total Capital Expenditure on Irrigation Works in India, to the end of 1875-76, amounted to Rs. 16,55,44,070, of which Rs. 8,70,80,510 was classified as Extraordinary as follows :—

	Ordinary.	Extraordinary.	Contribution.	Capital value of land used for works.	TOTAL.
	Rs.	Rs.	Rs.	Rs.	Rs.
I.—Capital outlay in Provinces in which the Revenue due to the Canals has been ascertained—					
Bengal	14,63,490	3,92,12,490	...	51,440	4,07,27,420
North-Western Provinces ...	2,82,10,100	2,01,27,210	...	10,57,960	4,93,95,270
Punjab	1,63,22,770	1,27,68,910	41,80,090	83,260	3,33,55,030
	4,59,96,360	7,21,08,610	41,80,090	11,92,660	12,34,77,720
II.—Capital Outlay in Provinces in which the Revenue due to Canals has still to be ascertained—					
Madras	1,20,36,200	67,34,780	...	...	1,87,70,980
Bombay	1,03,17,420	80,50,140	16,810	2,34,660	1,86,19,030
Rajputana	10,44,140	1,86,980	...	...	12,31,120
	2,33,97,760	1,49,71,900	16,810	2,34,660	3,86,21,130
III.—Capital Outlay in Provinces in which Operations on Irrigation Works have been suspended—					
Central Provinces ...	3,40,860	...	...	...	3,40,860
Oudh	4,41,080	...	...	...	4,41,080
	7,81,940	...	...	...	7,81,940
TOTAL OF I, II, & III...	7,01,76,060	8,70,80,510	41,96,900	14,27,320	16,28,80,790
IV.—Capital Outlay on Embankment Works in British Burmah	26,63,280	...	...	...	26,63,280
	7,28,39,340	8,70,80,510	41,96,900	14,27,320	16,55,44,070

	Rs.
The total Receipts during 1875-76 have been	69,86,570
From this sum the amount to be deducted for working expenses is...	33,41,780
Thus leaving the Net Revenue at	36,44,790

which is 3·6 per cent. on a Capital Outlay of £10,072,328, which is the amount spent on Canals now yielding revenue.

WAYS AND MEANS FOR EXTRAORDINARY EXPENDITURE IN 1875-76.

Of the Rs. 4,27,06,290 classified as Extraordinary Expenditure, Rs. 1,66,88,822, or 39 per cent., appears from the Accounts to have been provided from the Revenues of the year, leaving only 61 per cent. to be met from borrowed money. The financial results of the year 1875-76 would thus have been highly satisfactory if all the Extraordinary Expenditure had been on really reproductive works. Unfortunately, however, no less than Rs. 1,33,25,923 was expended under this head on the Punjab Northern and Indus Valley Railways in 1875-76, and, as I shall have occasion to explain elsewhere, the direct returns which we shall get from these Railways will be very small.

The expenditure for the relief of the Famine of 1874 in Northern Bengal, may now be said to have been completely brought to account: there may be still some outlying items; but they will not be important. The total is as follows:— Accounts, 1875-76. Cost of Famine Relief, Bengal.

	Rs.
In 1873-74	3,86,46,730
In 1874-75	2,23,78,600
In 1875-76 (including Expenditure from Provincial Funds)...	59,57,793
Total	6,69,83,123

of which Rs. 8,98,434 was provided from Provincial Resources, and Rs. 6,60,84,689 from the Imperial Revenues. There was a set-off in increased Net Traffic Receipts on the *Guaranteed Railways* estimated by Sir William Muir, last year, at Rs. 17,00,000; but, on the other hand, there was some loss of *Excise* and other revenue, and a substantial expenditure from Local Funds. The whole net cost of the measures for the relief of the Bengal Famine cannot now be stated at less than $6\frac{3}{4}$ crores of Rupees.

If there had been no Imperial Expenditure for Famine Relief, the Surplus Imperial Revenue of the three years on the Ordinary Account would have been— How far met from current Revenues.

	Rs.
1873-74...	2,05,70,050
1874-75...	2,55,70,575
1875-76...	2,17,74,370
Total ...	6,79,14,995

Thus, according to the Accounts, the Revenues of the three years bore the whole cost of the Famine, and even yielded a Surplus of Rs. 9,31,872. If we add to this the sum of Rs. 8,98,434 contributed from Provincial Resources, the net Surplus of the three years on the Imperial Ordinary Account would be Rs. 18,30,306. This apparently happy result is marred by the fact that there was, during these three years, an expenditure of Rs. 3,35,26,565 upon the Railways which I have just mentioned, which, although treated as Extraordinary Works, cannot be expected to be, in any sufficient degree, reproductive. In speaking of the arrangements proposed for the coming year, 1877-78, I shall refer more particularly to this subject, and shall explain the resolution of the Government to treat, hereafter, expenditure of this kind as ordinary.

ACCOUNTS OF WAYS AND MEANS, 1875-76.

I have still to examine the Ways and Means by which provision was made for the service of the year 1875-76, and to compare them with the Regular Estimates. The figures which I am about to quote will be found, in a convenient shape, in little tables at foot of the page in the left hand corner of Statements Nos. IV, V, and VI. Those with which they are to be compared are in the corresponding little tables in the centre of the same Statements appended to Sir W. Muir's Financial Statement of 31st March last. If any one wishes for more details than these little abstracts contain, they are to be found in the body of the Statements themselves. Ways and Means, 1875-76, compared with Regular Estimates.

We have seen that the deficit of Imperial Revenue in 1875-76 was altogether Rs. 2,60,17,470, being an improvement upon the Estimate of Rs. 29,42,530. We lent, during the year, to Native States and Public bodies Rs. 38,74,876 more than we received: the sum is smaller by Rs. 7,40,124 than was expected. The Guaranteed Railway and Irrigation Companies withdrew from our Treasuries the sum of Rs. 1,04,31,836, being less than was expected by Rs. 19,86,164. The disbursements from the balances of the Military Funds were Rs. 41,36,267, being Rs. 733 less than Estimate: the amount is abnormal, being due to the refund of their subscriptions to a large number of the members of the Bengal Medical Retiring Fund. The Local Governments drew for separate provincial and local purposes Rs. 40,22,930, being more by Rs. 60,930 than was estimated. Altogether we had to make good from other sources than the public Revenues the sum of Rs. 4,84,83,379, being less than Sir William Muir estimated by Rs. 74,16,621. Liabilities.

Statistics, 1875-76.
ASSETS.

Towards meeting this obligation we borrowed the net sum of Rs. 4,10,95,219, being more by Rs. 20,68,219 than was expected; the excess was in England. The money deposited in our Savings Banks exceeded the money drawn out by Rs. 8,40,206, being less by Rs. 1,22,794 than was estimated: the deposits of the Covenanted and Uncovenanted Civil Service Funds were Rs. 11,18,471, being more by Rs. 85,471 than the Estimate, and the balance on the Deposit and Advance Account was in our favour by Rs. 20,18,538, being less by Rs. 30,25,462 than was expected. The remaining transactions yielded to the Treasury the net sum of Rs. 23,93,032, while it was estimated they would withdraw from the Treasury Rs. 18,08,000.

Thus it happened that, instead of the estimated reduction of Rs. 98,33,000, the actual reduction of the cash balances during the year was only Rs. 10,17,913, an improvement of Rs. 88,15,087, of which Rs. 70,93,000 was in India and the rest in the Home Treasury.

FINANCIAL AND COMMERCIAL STATISTICS, 1875-76.

FINANCIAL AND COMMERCIAL STATISTICS, 1875-76, COMPARED WITH THE PRECEDING YEARS.

In the following table some important financial and commercial statistics belonging to the year 1875-76 are compared with the same statistics for the two preceding years.

(Values (excepting (a)) in Rupees.)

	1873-74.	1874-75.	1875-76.
Net imports of gold	*1,38,00,000*	*1,87,00,000*	*1,54,00,000*
Net imports of silver	*2,47,00,000*	*4,64,00,000*	*1,56,00,000*
Total Net imports of Treasure ...	*3,85,00,000*	*6,51,00,000*	*3,10,00,000*
Public Debt incurred, including Guaranteed Railway Capital ...	*1,04,00,000*	*9,24,00,000*	*4,79,00,000*
Bills drawn by Secretary of State upon Government of India	*14,25,00,000*	*11,76,00,000*	*13,75,00,000*
Amount in sterling obtained for each rupee (a)	*22,37d.*	*22,12d.*	*21,62d.*
Average price of an ounce troy standard Silver in London (a) ...	*59,16d.*	*58,16d.*	*56,20d.*
Commodities excluding Treasure.			
Exports	*55,00,00,000*	*56,36,00,000*	*58,09,00,000*
Imports	*33,82,00,000*	*36,22,00,000*	*38,89,00,000*
Net exports	*21,18,00,000*	*20,14,00,000*	*19,20,00,000*

The excess net imports of silver, and the reduction of the Council Bills, in 1874-75, are due to the large amount borrowed in that year for the campaign against the Bengal Famine, and for Railways and other Public Works.

In 1873-74, for the first time for 23 years, the average price of an ounce troy of standard silver in London fell below 60*d.*: the continuous fall in 1874-75 and 1875-76 marks the course of a phenomenon that has already caused, and must, I fear, for some time to come, cause, grave anxiety to all interested in India: I shall have to refer to the subject hereafter.

The value of commodities (other than treasure) exported in 1875-76 exceeded the exports of 1874-75 by Rs. 1,73,00,000: but the value of Imports grew by the still larger sum of Rs. 2,67,00,000: consequently, the Net Exports of India (excluding treasure) fell off by Rs. 94,00,000.

Including treasure, the Net Exports of the three years were—

1873-74.	1874-75.	1875-76.
Rs.	Rs.	Rs.
17,33,00,000	13,63,00,000	16,10,00,000

So that the Net Exports of 1875-76 altogether, though less than those of 1873-74 by Rs. 1,23,00,000, exceeded those of 1874-75 by Rs. 2,47,00,000.

The most important of our exports is *Cotton, Raw*, the statistics of which are as follows:—

	1873-74.	1874-75.	1875-76.
Cwts.	45,00,000	56,00,000	50,10,000
Value (in Rupees) ...	13,21,22,000	15,25,73,000	13,27,90,000

The great exports of 1874-75 were thus not maintained in 1875-76: this is attributed, partly, to an abundant crop in the United States, and, partly, to increasing demands for this important staple for home consumption. In correspondence with this latter influence, the exports of *Manufactures of Cotton*, including twist and yarn, show an important development, as follows:— Statistics, 1875-76.

1873-74.	1874-75.	1875-76.
Rs.	Rs.	Rs.
52,26,000	51,24,000	66,34,000

The imports of Cotton Goods, including twist and yarn, were:—

1873-74.	1874-75.	1875-76.
Rs.	Rs.	Rs.
17,78,46,000	19,42,13,000	19,25,87,000

The value of the imports of Cotton Manufactures, excluding twist and yarn, has not decreased. The figures are—

1873-74	1874-75.	1875-76.
Rs.	Rs.	Rs.
15,15,57,000	16,26,36,000	16,46,39,000

There was, indeed, a decrease in the value of grey (unbleached) goods imported, on private account in 1875-76, as compared with 1874-75, amounting to Rs. 73,58,240; but it was more than counterbalanced by increases under other descriptions in both quantities and values. It should be mentioned here that the values of grey goods returned in 1873-74 and 1874-75 were tariff values, which were above the market values; while, in 1875-76, their recorded values have been the actual market values, exclusive of duty.

The following table contains the Statistics of our most important Exports for the three years:— PRINCIPAL EXPORTS.

(Values in Rupees.)

			1873-74.	1874-75.	1875-76.
Cotton Goods, Twist and Yarn	... lbs.	...	2,455,000	2,835,000	6,229,000
	value	...	12,84,000	14,76,000	26,69,000
,, *Manufactures*	... value	...	39,42,000	36,48,000	39,65,000
Coffee	... (cwts.)	...	364,000	312,000	372,000
	value	...	1,49,14,000	1,30,53,000	1,62,70,000
Hides and Skins, raw, dressed, and tanned ...	... (value)	...	2,61,82,000	2,67,78,000	2,94,36,000
Indigo	... (cwts.)	...	116,000	81,000	110,000
	value	...	3,55,53,000	2,57,63,000	2,87,51,000
Jute, raw and manufactured	... (value)	...	3,63,77,000	3,48,55,000	3,29,45,000
Lac	... (value)	...	25,77,000	25,40,000	75,57,000
Opium	... (chests)	...	89,000	95,000	88,000
	value	...	11,34,19,000	11,95,70,000	11,14,84,000
Rice	... (cwts.)	...	20,245,000	17,393,000	20,416,000
	value	...	5,54,98,000	4,76,53,000	5,31,11,000
Saltpetre ...	... (cwts.)	...	4,51,000	5,53,000	415,000
	value	...	46,50,000	50,15,000	34,89,000
Seeds	... (cwts.)	...	4,433,000	6,075,000	10,507,000
	value	...	2,36,14,000	3,23,59,000	5,46,20,000
Silk	... (cwts.)	...	19,000	14,000	11,000
	value	...	1,14,37,000	76,65,000	41,60,000
Sugar and Saccharine produce	... (value)	...	22,78,000	31,92,000	25,39,000
Tea	... (cwts.)	...	1,72,000	1,88,000	2,17,000
	value	...	1,74,29,000	1,93,74,000	2,16,64,000
Wheat	... (cwts.)	...	1,756,000	1,069,000	2,498,000
	value	...	82,76,000	49,04,000	90,10,000
Wood, Teak ...	... (cubic tons)		51,000	43,000	61,000
	value	...	38,13,000	32,86,000	44,06,000
Wool, raw ...	... (cwts.)	...	1,81,000	1,90,000	2,12,000
	value	...	93,83,000	95,99,000	1,09,42,000

This table shows a healthy condition of our export trade. The augmented experts of *Coffee*, *Hides*, *Seeds*, *Tea*, *Wheat*, and *Wool* are especially noteworthy. It is interesting to find that, as with *Cotton*, so with *Hides* and *Jute*, the export of manufactured articles is, in an important degree, superseding the export of the raw material; our chief customers for gunny bags are, *Australia* for wool packs, *California* for grain-sacks, and the *Eastern Asiatic Countries* for grain-bags, &c. The serious decline in the silk trade is

Regular Estimates, 1876-77.

compensated by the growth of other items. I hope that the nascent demand for Indian wheat will not be checked by malpractices in India, or by the carelessness of exporters. There are complaints of the admixture in Indian wheats of barley, gram, and other grains; and, should this continue, India will fail in her competition with the United States, Austro-Hungary, Southern Russia, Egypt, and other wheat-producing countries.

Principal Imports.

The following table contains statistics of our most important imports besides *Cotton Manufactures*. The growth of the imports of *Metals* and *Woollens* is interesting. The *Salt* figures indicate a serious decrease in the value of that staple, by which, however, consumers must have profited—

(Values in Rupees.)

	1873-74.	1874-75.	1875-76.
Apparel	57,82,000	62,05,000	61,60,000
Coal, excluding coke and patent fuel			
(tons)	3,54,000	3,51,000	3,69,000
(value)	72,22,000	66,19,000	63,47,000
Liquors	1,39,27,000	1,52,93,000	1,70,22,000
Machinery and Millwork	1,00,23,000	1,18,59,000	1,43,99,000
Metals	1,73,85,000	2,60,71,000	3,30,92,000
Railway Plant and Rolling Stock ...	88,960	78,090	1,07,910
Salt (tons)	2,79,000	2,77,000	3,65,000
„ (value	83,53,000	75,58,000	60,7[illegible],000
Silk (*Raw*) (value)	78,69,000	87,29,000	69,49,000
„ (*manufactured*) (value) ...	60,84,000	71,05,000	70,94,000
Sugar and Saccharine produce ...	55,90,000	51,65,000	89,59,000
Tea (value)	18,29,000	17,00,000	24,76,000
Woollen Manufactures (value) ...	66,89,000	55,76,000	86,98,000

Upon the whole, the trade of India, at the end of 1875-76, seems to have been in a satisfactory condition.

REGULAR ESTIMATES, 1876-77.

Regular Estimates, 1876-77, compared with Original Estimates.

I come now to the present prospects of the current year, 1876-77, which I will first compare with the Estimates of Sir William Muir published on the 31st March 1876. As those Estimates have been recast in the form that I propose henceforth to use, I shall be able to enter into any detail that seems expedient.

Sir William Muir estimated that the Grand Total Revenue would be Rs. 50,48,00,000; that the Grand Total Expenditure would be Rs. 54,09,50,000; and, thus, that there would be a Deficit of Rs. 3,61,50,000. These same Estimates recast in the new form are as follows:—

	Rs.
Expenditure	55,11,04,000
Revenue	51,49,54,000
Deficit ...	3,61,50,000

In both cases alike, the Deficit is converted into a Surplus of Rs. 14,40,000 if the Extraordinary Expenditure (Rs. 3,75,90,000) is excluded from consideration.

The present Estimates are—

General Result.

That the Expenditure will be Rs. 57,28,50,000, exceeding the Original Estimates by Rs. 2,17,46,000.

That the Revenue will be Rs. 51,20,67,000, or less than the Original Estimates by Rs. 28,87,000.

And, thus, that the Deficit will be Rs. 6,07,83,000, or more than Sir W. Muir's Estimates by Rs. 2,46,33,000.

If the estimated Extraordinary Expenditure be excluded from the Account, the Deficit is reduced to Rs. 2,27,83,000, being a result worse than Sir William Muir expected by Rs. 2,42,23,000.

Regular Estimates, 1876-77.

These Estimates may be compared thus :—

	Sir William Muir's Estimates.		*Present Estimates.*	*Worse.*
	Estimates of 31st March 1876.	As now recast.		
	Rs.	Rs.	Rs.	Rs.
Grand Total Expenditure ...	54,09,50,000	55,11,04,000	57,28,50,000	2,17,46,000
Grand Total Revenue ...	50,48,00,000	51,49,54,000	51,20,67,000	28,87,000
Deficit	3,61,50,000	3,61,50,000	6,07,83,000	2,46,33,000
Public Works Extraordinary ...	3,75,90,000	3,75,90,000	3,80,00,000	4,10,000
Result if Extraordinary Expenditure is excluded ...	*Surplus* 14,40,000	14,40,000	*Deficit* 2,27,83,000	2,42,23,000

FINANCIAL RESULTS OF THE FAMINE IN MADRAS AND BOMBAY.

This untoward result is due entirely to the Famine in the Madras and Bombay Presidencies. Without describing afresh the extent and severity of this calamity, I will, here, simply state its effects upon the Estimates of Revenue and Expenditure, both for the current and the coming year, so far as they can now be traced. This will be most conveniently done in the following tabular form :—

Effects of the Famine in the Presidencies of Madras and Bombay, upon the Estimates, 1876-77 and 1877-78.

1876-77	*Loss of Land Revenue.*	*Loss of Excise Revenue.*	*Loss of Forest Revenue.*	*Direct Outlay for Famine Relief.*	*Excess charges in the Army.*	*Total.*
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Madras ...	99,65,000	9,25,000	50,000	1,44,10,000	5,00,000	2,58,50,000
Bombay ...	38,80,000	...	1,50,000	47,00,000	3,00,000	90,30,000
Total ...	1,38,45,000	9,25,000	2,00,000	1,91,10,000	8,00,000	3,48,80,000
1877-78.						
Madras ...	31,84,000	3,33,000		73,50,000	6,37,000	1,15,04,000
Bombay ...	17,67,000	...		69,60,000	4,00,000	90,67,000
Total ...	49,51,000	3,33,000		1,42,50,000	10,37,000	2,05,71,000
Grand Total	1,87,96,000	12,58,000	2,00,000	3,33,60,000	18,37,000	5,54,51,000

The gross estimated cost of the Famine altogether is—

	Rs.
In Madras	3,73,54,000
In Bombay	1,80,97,000
TOTAL ...	5,54,51,000

of which Rs. 2,20,91,000 is loss of revenue and excess charges in the Army, and Rs. 3,33,60,000 is direct expenditure on measures of relief. From this gross sum of Rs. 5,54,51,000 must be deducted the gain to the Revenues from the increased earnings of the Guaranteed and State Railways; and this I find it at present impossible to estimate with any accuracy. I shall presently have to speak of a very gratifying improvement in the net traffic earnings of these Railways; but how much precisely of the improvement is due to the Famine, it is impossible, as yet, to say. Perhaps, on the whole, as near an estimate as can now be made of the net cost of the Famine is five and a quarter crores of Rupees, of which Rs. 3,10,00,000 falls on this year, and Rs. 2,15,00,000 on next year.

EVENTUAL COST.

The eventual cost of this Famine will depend upon how far it is found necessary wholly to remit the Land Revenue of which the collection is, for the present, suspended. The Hon'ble Sir Richard Temple is strongly of opinion that, if favorable seasons follow, the people will, hereafter, be able to pay at least Rs. 1,29,50,000 of the Rs. 1,87,96,000 Land Revenue which must for the time be left uncollected: but the Governor General in Council has considered it right to leave to the Governments of Madras and Bombay an unfettered discretion in this matter. These Governments will doubtless receive Sir Richard Temple's recommendations with all the deference which they deserve; and I may perhaps be permitted to express a hope that, without any undue harassment of the people, the Local Governments may yet find themselves able to recover, for the benefit of the general tax-payers, from those on whose behalf this great expenditure is being incurred, more than they now think possible.

Regular Estimates, 1876-77.

I cannot quit this part of my Statement without calling again to mind the zeal, energy, and ability with which Sir Richard Temple, abandoning a distinguished position of comparative ease and comfort, has devoted himself to those important public duties which he is now performing with admirable success.

If there had been no Famine, there would have been no Deficit in 1876-77, but, on the contrary, if the Estimates of the cost of the Famine are trustworthy, a Surplus on the Ordinary Account of Rs. 62,48,000,* that is to say, an improvement upon the Original Estimate of Rs. 48,08,000. Here, however, it must again be remembered that the sum of Rs. 1,38,58,850 was expended on works classed as extraordinary, but which cannot be called reproductive.

DETAILED COMPARISONS.

The following are the explanatory remarks which seem called for regarding the various increases and decreases shown in the Abstract Statements.

LAND REVENUE.

I. Land Revenue.—The whole of the decrease, Rs. 1,37,59,000, is due to the Famine, but for which there would have been a small net improvement of Rs. 86,000.

TRIBUTES.

II. Tributes.—The improvement of Rs. 50,000 is due to arrear payments by Banswara and Udhaypur.

FOREST.

III. Forest.—The Original Estimates were for a Net Revenue of Rs. 18,26,000; the Regular Estimates are for a Net Revenue of Rs. 17,31,000, being less by Rs. 95,000. The failure is in the *Bombay* and *Madras* Presidencies, and is attributed to the Famine, which is estimated to have reduced the Net Revenue from *Forests* by at least Rs. 2,00,000.

EXCISE.

IV. Excise.—The Net Revenue from this source is now expected to be only Rs. 2,37,92,000, instead of Rs. 2,43,80,000. The decrease of Rs. 5,88,000 is much more than accounted for by the loss of Revenue from the Famine in Madras. But for the Famine, there would have been a considerable improvement. The Net Revenue from *Excise* in recent years (deducting Refunds) has been as follows:—

	Rs.		Rs.
1869-70 ...	... 1,99,20,810	1873-74 ...	... 2,19,12,340
1870-71 ...*	... 2,07,93,600	1874-75 ...	... 2,25,44,140
1871-72 ...	... 2,23,24,660	1875-76 ...	... 2,40,70,560
1872-73 ...	... 2,19,09,070	1876-77, Regular Estimates	2,37,33,000

The steady improvement is satisfactory.

CUSTOMS.

VI. Customs show a serious decrease as compared with the Original Estimates of Rs. 15,08,000; the loss is generally distributed. It seems probable that the Original Estimates, which were based upon last year's Regular Estimates, were too sanguine. The net *Customs* Revenue of the last few years (deducting Refunds and Drawbacks) has been as follows:—

	Rs.		Rs.
1869-70 ...	... 2,16,63,020	1873-74 ...	... 2,37,36,730
1870-71 ...	... 2,35,11,350	1874-75 ...	... 2,42,17,380
1871-72 ...	... 2,34,05,590	1875-76 ...	... 2,47,00,620
1872-73 ...	... 2,40,11,230	1876-77, Regular Estimates	2,20,77,000

The net yearly Revenue sacrificed by the revision of the Tariff on the 5th August 1875 was estimated at Rs. 30,84,000: this sum deducted from the Net Revenue of 1874-75, the most productive recent year before 1875-76, would leave only Rs. 2,11,33,380, from which point the Revenue of 1876-77 shows a satisfactory recovery of 9½ lakhs of rupees. The *Customs* Revenue of 1875-76 was evidently abnormal; we cannot expect so speedy a recovery from the standard of 1874-75 as was estimated in March last.

SALT.

Salt.—The Net Revenue was estimated at Rs. 5,77,40,000: it is now estimated at Rs. 5,85,65,000, being a gross improvement of Rs. 8,25,000. The

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* Estimated cost of Famine in 1876-77 ... ... Rs. 3,10,00,000
Deficit on ordinary Account 2,27,83,000

Surplus but for Famine ... 82,17,000
Deduct loss by Exchange saved by Secretary of State reducing his drafts 19,69,000

Remains ... 62,48,000

Net Revenue under this important Head (deducting Refunds) has been as follows:— Regular Estimates, 1876-77.

	Rs.		Rs.
1869-70	5,46,20,160	1873-74	5,64,60,590
1870-71	5,68,52,590	1874-75	5,73,52,620
1871-72	5,45,57,090	1875-76	5,70,22,180
1872-73	5,64,28,950	1876-77, Regular Estimates ...	5,81,99,000

so that the Net Revenue of 1876-77 will, if the present Estimates are realised, be the largest yet obtained

VIII. Opium.—The Net Revenue was estimated at 6 crores of Rupees; it is now expected to be Rs. 6,37,50,000, an improvement of Rs. 37,50,000. The Gross Revenue has only once before been exceeded; and the Net Revenue would have been much larger than is now expected, but for the unprecedentedly large crop of 1876. The cost of this great crop fell upon the Revenues of the year, its surplus yield being added to the reserve store in the possession of the Government, which now amounts to 35,315 chests more than the quantity which will be sold during the calendar year 1877. The recent figures of the Opium Revenue are as follows:— OPIUM.

	Gross Revenue.	Expenditure.	Net Revenue.	
1869-70	7,95,15,570	1,82,06,830	6,13,08,740	
1870-71	8,04,54,590	2,01,44,250	6,03,10,340	
1871-72	9,25,38,590	1,59,66,460	7,65,72,130	Short crops.
1872-73	8,68,46,910	1,81,42,680	6,87,04,230	
1873-74	8,32,48,790	2,00,12,800	6,32,35,990	
1874-75	8,55,66,290	2,34,15,460	6,21,50,830	
1875-76	8,47,14,250	2,21,85,650	6,25,28,600	
1876-77	9,17,68,000	2,80,18,000	6,37,50,000	Great crop.
	68,46,52,990	16,60,92,130	51,85,59,860	

The average yearly Net Revenue for these eight years has been Rs. 6,48,19,982, the Net Revenue of particular years depending much upon the outturn of the crop paid for. The Net Revenue of 1876-77 is rather below the average of the eight years, but compares favorably with all but two of these years. Bengal Opium is now expected to yield net less than the Estimate by Rs. 1,60,000, the excess expenditure being, by this amount, larger than the large excess revenue. Malwa opium is expected to yield Rs. 38,90,000 more than the Estimates.

On the 19th December 1876, the Opium Act (No. XXIII of 1876) received the assent of the Governor General. This much-needed Law will enable the Government to regulate and supervise the growth of the poppy and all transactions with Opium throughout India: hitherto, in many parts of the country, either there has been no law, or the law has been doubtful. OPIUM ACT, 1876.

IX. Stamps.—The Net Revenue from *Stamps* and *Law and Justice* (the portion now Imperial) is now expected to be Rs. 3,09,25,000 instead of Rs. 3,05,00,000, as at first estimated, an Improvement of Rs. 4,25,000. The Net Revenues from *Stamps* and the existing imperial items under *Law and Justice* (deducting Refunds) show a steady improvement as follows:— STAMPS.

	Rs.		Rs.
1871-72	2,68,40,230	1874-75	2,88,44,860
1872-73	2,84,31,580	1875-76	2,97,10,000
1873-74	2,89,55,410	1876-77, Regular Estimates	3,02,05,000

X. Mint.—Sir W. Muir estimated the Net Revenue from the Mints at Rs. 3,00,000; it is now expected to be Rs. 8,46,000, the excess (Rs. 5,46,000) being due to a large coinage of silver. MINTS.

XIII.—The decrease of Rs. 3,37,000 under *Law and Justice* is in the Provincial portion (*Jails* and *Registration*), and is partly set off by a saving of Rs. 1,75,000 under the corresponding Heads of Expenditure.

XIX. Gain by Exchange.—The large improvement in the Net Traffic Earnings of the Guaranteed Railway Companies entails the improvement of Rs. 11,57,000 here shown. GAIN BY EXCHANGE.

XX. Miscellaneous.—The improvement of Rs. 2,91,000 occurs mainly in England, the chief items being £9,600 for Cinchona bark sold, £6,400 from the exhibition of the presents taken home by His Royal Highness the Prince MISCELLANEOUS.

Regular Estimates, 1876-77.

of Wales, and £5,000 fines on contractors subsequently remitted, and shown under the corresponding Head of Expenditure. A curious item in India is the State share of nine ingots of gold, valued at Rs. 53,240, discovered in the Kistna District.

IRRIGATION.

Irrigation.—The small decrease of Rs. 2,63,000 is due to the favorable season in the Punjab causing a loss of Rs. 1,37,200, and to disappointments in Bengal.

The probable Extraordinary outlay on Canals in 1876-77 is Rs. 1,01,20,000, as follows :—

	Rs.		Rs.
Madras	3,75,000	North-Western Provinces	33,00,000
Bombay	6,49,000	Punjab	20,00,000
Bengal	37,50,000	In England ...	46,000

In 1876-77 the total direct receipts from Irrigation Works are estimated to amount to Rs. 50,06,750. Of this sum, the amount expected to be derived from the completed Canals on which the Capital Outlay has been Rs. 10,07,23,280 is Rs. 47,01,000 : the estimated amount of Land Revenue due to or dependent on the works is Rs. 20,20,340 : thus the Gross Revenue is estimated at Rs. 67,21,340. The working expenses from which this Gross Revenue is derived is estimated to amount to Rs. 33,78,060 : so that the expected Net Revenue is Rs. 33,43,280, or 3·3 per cent.

STATE RAILWAYS.

State Railways.—The Net Revenue from State Railways was estimated at Rs. 11,80,000; it is now expected to be only Rs. 10,42,000; the decrease of Rs. 1,38,000 is owing to slackness of trade, especially on the Holkar Line, and also to the Northern Bengal and Indus Valley Lines not having been opened for traffic so soon as was expected.

The growth of the revenue from State Railways is, however, encouraging : as follows :—

	Gross Earnings.	Working Expenses.	Net Traffic Earnings.
	Rs.	Rs.	Rs.
1872-73	1,65,330	1,79,140	– 13,811
1873-74	3,99,140	7,28,240	– 3,29,100
1874-75	13,00,860	18,38,830	– 5,28,970
1875-76	28,95,120	21,47,130	7,47,990
1876-77, Regular Estimates ...	36,96,000	26,54,000	10,42,000
1877-78, Original Estimates ...	67,48,000	48,30,000	19,18,000

The Capital Expenditure on State Railways to the end of 1875-76 was Rs. 11,78,34,920; the Expenditure in 1876-77 is estimated at Rs. 2,95,80,970; and that in 1877-78 at Rs. 2,60,00,000, making the total Capital Expenditure to the end of 1877-78 Rs. 17,34,15,890.

CONTRIBUTIONS AND PROVINCIAL BALANCES, 1876-77.

Provincial Contributions and Balances of the Local Governments.—According to the Estimates, the Local Governments were to supplement their Assigned Revenues from separate Provincial Resources by Rs. 3,07,000, and from their balances by (net) Rs. 14,82,000; total Rs. 17,89,000. It is now expected that they will have to draw upon local resources for only Rs. 1,85,000, and upon their balances for only Rs. 7,84,000, *i. e.*, for (net) Rs. 9,69,000 in all: the amount would have been larger, but for a special grant of Rs. 2,50,000 from Imperial Funds to British Burmah, the rapid expansion of which Province makes such assistance indispensable. The Punjab draws from its local resources more than any other Province; it seems probable that some expenditure may still be classed there as Imperial, which, under the old system, was local.

INTEREST.

I pass now to EXPENDITURE. The net charge for *Interest* is now expected to be larger than was estimated by Rs. 3,42,000. The excess is entirely in the Estimates of the Home Treasury, where a larger sum was borrowed than was intended in March last. The Estimate then was that £2,640,000 would be

borrowed; the actual sum raised was £4,600,000, besides £500,000 borrowed temporarily. Regular Estimates, 1876-77.

(In Rupees.)

Interest Estimates compared.

(1876-77.)	Original.	Present.	Worse.	Better.
Interest on debt ...	5,36,00,000	5,41,07,000	5,07,000	
Interest on Service Funds, &c. ...	39,07,000	38,61,000	...	46,000
Total ...	5,75,07,000	5,79,68,000	4,61,000	
Receipts ...	50,80,000	51,99,000	...	1,19,000
Net Charge	5,24,27,000	5,27,69,000	3,42,000	

The following Government Securities were purchased by the Government of India early in the year, before any cause of anxiety had arisen respecting the crops:— PURCHASE OF SECURITIES.

	Capital. Rs.	Premium paid. Rs.
Bearing interest at 5½ per cent.	35,65,000	1,23,000
,, ,, 5 ,, (debentures) ...	3,75,000	3,000
,, ,, 4½ ,, ...	68,80,000	98,000
,, ,, 4 ,, ...	17,20,000	14,000
	1,25,40,000	2,38,000

These Securities have been cancelled, and will not be re-issued: the premium has been written off under the Head of *Interest*.

The Debt of the Government of India is estimated to be on the 31st March 1877 as follows:— TOTAL DEBT OF INDIA.

(Debt of India; combining Sterling and Rupees on the assumption that £1=Rs. 10.)

Rate of Interest.	Capital amount outstanding, England. £	India. Rs.	Total. Rs.	A year's Interest thereon. Rs.
5½ ...	...	9,84,52,000	9,84,52,000	54,15,000
5 ...	17,200,000	1,06,84,000	18,25,84,000	91,28,000
4½ ...	...	15,44,96,000	15,44,96,000	69,52,000
4 ...	37,176,000	45,37,40,000	82,55,00,000	3,30,20,000
3½ ...	...	6,52,000	6,52,000	23,000
Nil ...	21,000	3,50,000	5,60,000	*Nil*
	54,397,000	71,82,74,000	1,26,22,44,000	5,45,38,000

Thus, the average yearly rate of interest upon the Registered Debt of India at the end of the current year is estimated to be 4⅓ per cent. The Capital of the Railway and Madras Irrigation Companies, interest upon which is guaranteed from Indian Revenues, is £96,946,907, the interest thereon being £4,716,100. The total Debt of British India, therefore, of all kinds is £151,343,907, and Rs. 71,82,74,000, and the interest thereon is £7,063,104, and Rs. 3,10,68,600: if a Rupee is worth 1*s.* 9½*d.*, the entire Debt of India is Rs. 2,40,76,94,357, or £215,689,286, and the interest thereon, Rs. 10,99,12,551, or £9,846,333. The average interest upon the whole Debt of India, including the Guaranteed Capital, is 4·56 per cent.

The proportion of the Rupee Debt held by Natives of India on the 30th of December is estimated, from the distribution of the actual payments of interest, to have been as follows:— PROPORTION HELD BY NATIVES OF INDIA.

1869	22,50	1873	25,29
1870	20,25	1874	25,23
1871	24,74	1875	24,34
1872	22,76	1876	25,87

The excess over the Grant under *Land Revenue* (Rs. 2,19,000) occurs chiefly in *Bombay*, and is nominal, being an increase in Village Allowances set off by increased Revenue under *I, Land Revenue*. LAND REVENUE.

The excess of Rs. 2,13,000 under *Excise* is for stores (probably hydrometers for Madras) from England. EXCISE.

The saving under *Salt*, Rs. 3,95,000, is in the item Petty Construction and Repairs in *Madras*. SALT.

Regular Estimates, 1876-77.

Post Office.—The estimated Net Expenditure on this Service was Rs. 9,11,000; it is now only Rs. 5,99,000, an improvement of Rs. 3,12,000. The following are recent figures of the Post Office:—

POST OFFICE.

	Expenditure.	Revenue.	Net Expenditure.
	Rs.	Rs.	Rs.
1873-74	80,86,840	68,81,980	12,04,860
1874-75	80,75,960	73,94,000	6,81,960
1875-76	82,20,790	76,35,970	5,84,820
1876-77	86,37,000	80,38,000	5,99,000

It is to be borne in mind that the Post Office carries the correspondence of the State at a reduced rate. It is satisfactory to find that the loss from the reduction of the Overland Postage (from 8 annas to 6 annas *vid* Brindisi, and from 6 annas to 5 annas *vid* Southampton) has been almost made good already.

TELEGRAPHS.

13. Telegraphs.—The estimated Net Cost of this Service was Rs. 19,80,000; it is now only Rs. 15,97,000. The improvement of Rs. 3,83,000 occurs chiefly in India, and is due to increased traffic. The following are the figures for the past eight years:—

	Expenditure.	Revenue.	Net Expenditure.
	Rs.	Rs.	Rs.
1869-70	55,34,000	25,71,340	29,62,660
1870-71	50,54,310	24,70,100	25,84,210
1871-72	44,99,110	22,83,680	22,15,430
1872-73	48,29,750	24,98,020	23,31,730
1873-74	41,18,180	25,06,380	16 11,800
1874-75	43,20,300	28,64,790	14,55,510
1875-76	49,06,240	30,90,400	18.15,840
1876-77, Regular Estimates ...	49,18,000	33,21,000	15,97,000

The improvement since 1872-73 is satisfactory.

ADMINISTRATION.

14. Administration.—The increase of Rs. 6,52,000 is due, for the most part, to an insufficient provision having been made for tour and staff expenses in India; but partly to increased charges at Home.

LAW AND JUSTICE.

16. Law and Justice.—The saving (Rs. 1,75,000) is in the Provincial portion (*Jails and Registration*). The Imperial portion, which constitutes, as yet, the greater portion of this Grant, shows an increase of Rs. 6,16,000, the largest item in which is for the Convict Establishments on the Andaman and Nicobar Islands.

POLICE.

17. Police.—This grant is entirely under the control of the Local Governments, and the small excess (Rs. 1,56,000) does not require explanation from me. There is a corresponding excess receipt, amounting to Rs. 1,28,000.

EDUCATION.

19. Education.—This service, too, is entirely under the Local Governments. The net saving of Rs. 3,57,000 is generally distributed: it seems probable that some economies may have been effected in consequence of the warning given by His Excellency the Viceroy in July last, to which I shall have occasion hereafter to refer.

STATIONERY AND PRINTING.

22. Stationery and Printing.—This resuscitated Head shows an increase of Rs. 4,25,000, some portion of which occurs in the Central Press of the Government of India, the work of which is constantly increasing; but the greater portion is for Stores from England.

POLITICAL AGENCIES.

23. Political Agencies.—Of the excess of Rs. 18,39,000, the sum of Rs. 13,71,000 is for the ceremonies throughout the country attending the assumption by Her Majesty the Queen of the title of Empress of India. There are other items of increase which need not be explained.

COST OF CEREMONIES ON ASSUMPTION OF IMPERIAL TITLE.

The gross cost of the ceremonies throughout India on the 1st of January is Rs. 13,71,000 under this Head; Rs. 2,83,000 in the Public Works Department; and Rs. 3,00,000 under the Army: total Rs. 19,54,000: there was also an inconsiderable outlay in England, the particulars of which we do not yet know. Against the gross outlay is to be set the increased revenue from the Railways (estimated at, at least, net Rs. 9,00,000), and under Telegraphs and other Heads: upon the whole, it does not seem likely that the net cost exceeded Rs. 10,00,000. It will be understood that these charges are by no means on account of the Delhi Assemblage only, but include the gift of a day's pay to the Army, and the cost of the ceremonies at the Presidency towns and at

every large station throughout India: such charges as these had no connection with the Assemblage. The net cost of the Assemblage itself cannot at present be exactly ascertained; but, in an estimate sent last month to the Secretary of State, it was calculated at about Rs. 5,00,000, a sum which must be looked upon as extremely moderate. Regular Estimates, 1876-77.

24. Allowances, &c., under Treaties.—The decrease of Rs. 1,71,000 is owing to sundry lapses. Allowances, &c.

25. Furlough Allowances in England.—The increase of Rs. 1,76,000 is attributed to an increase in the number of Officers on furlough, and, to some small extent, to the privilege of drawing furlough pay at 2*s.* the Rupee, which has been granted, with retrospective effect, to those Military Officers who, before 1st July 1871, elected, under the option given to them, the Furlough Rules of 1868. The charges under this Head have been as follows:— Furlough allowances in England.

	£
1873-74	260,556
1874-75	216,704
1875-76	229,199
1876-77, Regular Estimates	240,600

27. Loss by Exchange.—The present Exchange Estimates may be compared with the Original Estimates as follows:— Loss by Exchange.

	Loss by Exchange.	Gain by Exchange.	Net Loss.
	Rs.	Rs.	Rs.
1872-73	76,51,090	30,14,360	46,36,733
1873-74	98,65,300	39,51,680	59,13,620
1874-75	89,78,780	39,53,350	50,25,430
1875-76	1,42,97,220	39,53,650	1,03,43,570
1876-77, Original Estimate	2,33,20,000	34,70,000	1,98,50,000
1876-77, Present Estimate	2,13,51,000	46,27,000	1,67,24,000

Thus, the whole improvement compared with the Estimates is Rs. 31,26,000, of which Rs. 11,57,000 has been already explained as due to improved Guaranteed Railway Receipts. Almost the whole charge entered under *27, Loss by Exchange*, is incurred upon the Bills upon the Government of India, by which the Secretary of State supplies the Home Treasury with funds. The Estimate was that the sum thus raised in London would be £13,660,000, and that, to produce this amount, Bills would be sold for Rs. 15,99,20,000, being at the rate of Re. 1=1*s.* 8$\frac{1}{2}$*d.* It is now estimated that we shall pay Bills for Rs. 14,53,96,000, which will yield to the Home Treasury £12,418,000, the rate realised being still estimated at Re. 1=1*s.* 8$\frac{1}{2}$*d.* The cost now estimated of the £12,418,000 thus supplied to the Home Treasury is only Rs. 16,310 more than it would have been at the precise rate originally estimated: that the Original and Revised Estimates should thus precisely correspond, is only a curious coincidence; for no one could, in March last, have foretold what the average rate of exchange during the year would be, and the Government of India had certainly little confidence in its own Estimate. The gross saving of Rs. 19,69,000 under this Head is wholly due to our having paid for £1,242,000 less than we expected; and this, again, is due to the Secretary of State having borrowed more than was, at first, proposed: the reason for this excess borrowing was chiefly the state of the exchanges between England and India during the early part of the year.

This brings me to speak of the fall in the price of silver, which began to alarm the Government of India and all those interested in the prosperity of the country long before the last Financial Statement was made, and which, during the year, assumed formidable proportions. It is impossible for me, in making this Statement, to avoid reference to a subject so intimately affecting the interests of India: at the same time, I desire, on this occasion, to treat the matter historically only, and not to express any opinion of my own upon the causes of the divergence of the value of the two metals, or upon the remedies, if any, which ought to be adopted. Fall in the price of silver.

The fall in the value of silver dates from November 1872. For 22 years before that date, the price in London of an ounce Troy of standard silver had never been below 60*d.*, and for 18 years more, it had never been below 59*d.* In the calendar year 1873, the average price was 59·22*d.*, the lowest price (*13th November*) being 57$\frac{1}{16}$*d.* In 1874, the average price was

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58·37*d.*, the lowest price (*31st December*) being 57¼*d.* In 1875, the average price was only 56·76*d.*, the lowest quotation being (*on the 3rd June*) 55½*d.* In 1876, the average price fell to 53·08*d.*, the lowest quotation being (*8th July*) 47*d.*; sales were reported even as low as 46*d.*: the recovery from this depression was rapid; the highest point since attained being (*18th January 1877*) 58⅝*d.*, the highest price quoted since 23rd July 1874: there has since been, again, a downward re-action, the latest quotation being 55*d.*

MEMORIAL FROM THE BENGAL CHAMBER OF COMMERCE.

On the 17th July 1876 the Secretary to the Bengal Chamber of Commerce transmitted, for the consideration of the Governor General in Council, the following two Resolutions adopted at a Special General Meeting of the Chamber held on Saturday, the 15th July:—

RESOLUTIONS.

1*st.*—"That the continued depreciation in the value of silver is a question most seriously affecting the political and financial interests of the Country; and that, in view to its very great importance, the Committee be requested to address the Government in order to obtain such information as they may be able to give, in regard to the policy which they propose to pursue under the circumstances.

2*nd.*—"That the Chamber approves of the suggestion of the Committee that it is expedient, in view of any ultimate measures that the Government may adopt, that Clause 19 of Act XXIII of 1870, making it obligatory on the Mints in India to receive all silver tendered for coinage, and also section 11, clause (b) of Act III of 1871, making it obligatory on the Currency Department to issue Notes against silver bullion sent in, be temporarily suspended, at the discretion of Government; and that, during such suspension, or till further notice, it be not lawful to import coined rupees from any foreign port."

On the 22nd July, the Secretary to the same Chamber forwarded, for the consideration of the Government, a copy of the Proceedings of the Chamber.

In this letter, the Committee of the Chamber, while recognising the difficulty of the position of the Government of India, remarked that the uncertainty which had hitherto shrouded the action of Government had been attended with serious consequences to merchants and bankers, and would continue to embarrass their transactions so long as they were kept in ignorance of the course of action the Government proposed to take. The Committee, therefore, expressed a hope that His Excellency the Viceroy would, in the interests of commerce and of the country generally, accede to the prayer of the first Resolution of the meeting, and make public the intentions of the Government.

As to the second Resolution, the Committee pointed out that its object was not to prohibit coinage altogether; for that would be likely to bring about a collapse of credit; but to place all coinage in the hands of the Government to be exercised at its discretion. It appeared to the Committee suicidal for the Secretary of State to allow the competition of bar silver with the rupees which he has to offer to those requiring money in India, and that to suspend the free conversion of silver bullion into legal-tender coin was not only a wise and reasonable; but a necessary precaution for the Government of India to take, for the preservation of its own currency, and to support the credit of its own loans, as well as to prevent the country from being swamped by silver sent in by foreign nations.

The Committee argued that the fact that the Government of India was compelled to put their Mint Stamp to all silver sent to India had given an artificial and fictitious value to silver, which would cease as soon as the law was suspended. Bar silver would then, gradually, fall to its own intrinsic value; and the extent to which it was depreciated would be soon gauged; whereas, as things were, it was impossible to say how much its value was appreciated by our 'open coinage system.'

When all Europe was closing its doors against the import of silver with the avowed object of having as little of the metal as possible, should the depreciation be found permanent, it seemed most impolitic, the Committee thought, to keep ours wide open for the reception of an unlimited quantity, costing the country, through our coinage laws, far more than its real intrinsic value. The Committee could see no valid reason against the immediate adoption by the Government of the second Resolution of the Meeting, and considered that the objections brought against it were based either on a misconception of its real scope, or on abstract principles ignored by other States; whereas the position of affairs was altogether exceptional, and ordinary rules did not apply. The Committee represented that the measures recommended in the Resolution were not more

stringent than, in fact, scarcely so stringent as, those which the first financiers in Europe had found it necessary to adopt. Regular Estimates, 1876-77.

Lastly, the Committee pointed out that there was a third proposition put before the Meeting, recommending the adoption of a gold standard, which, in deference to the feeling apparent among members present, was temporarily withdrawn; and they referred the Government to the debate at the Meeting upon this proposal.

WARNING BY THE GOVERNMENT OF INDIA.

On the 31st July the Government of India published a Resolution inviting attention to the immediately probable financial consequences of the fall in the gold-price of silver, and insisting upon the necessity for the utmost economy of the public resources.

MEMORIAL OF THE CALCUTTA TRADES' ASSOCIATION.

On the 1st August the Secretary to the Calcutta Trades' Association forwarded a Memorial from the Master, Wardens, and Committee of the Association to His Excellency the Viceroy and Governor General of India in Council.

In this document the Memorialists represented that they had, for many months past, been suffering great loss from the low rate of exchange which bid fair to paralyse trade. The Memorialists joined earnestly with the Bengal Chamber of Commerce in urging on the Government the importance of declaring the policy it intended to pursue for the remedy of this evil, and prayed that the policy of a temporary suspension of the compulsory coinage of silver might receive the early consideration of Government.

The Memorialists further expressed great satisfaction at the desire manifested by the Government to encourage local manufactures, and suggested a relaxation of the rules against the purchase of imported stores for the Government in India.

RESOLUTION OF THE GOVERNMENT OF INDIA, 22ND SEPTEMBER 1876.

On the 22nd September 1876, after considering the "Report by the Select Committee of the House of Commons on the depreciation of silver, with the Proceedings of the Committee, ordered by the House of Commons to be printed on the 5th July 1876," the Government of India published a Resolution (No. 3044) upon the suggestions of the Bengal Chamber of Commerce and the Calcutta Trades' Association. The following is a summary of its arguments and conclusions.

1. The recent change in the value of silver measured in gold may be due to changes in the value of one metal or the other, or of both: before a fit remedy can be applied, it is essential to ascertain what exactly has happened, whether gold has risen or silver fallen, and how much the value of each metal has changed. It cannot be assumed, without decisive proof, that the divergence of the two metals is due wholly, or even chiefly, to the fall in the value of silver.

2. The prices of commodities and of the precious metals, in London and in India, witness to a considerable rise in the value of gold since March 1873, and especially since December 1875, and do not show any fall in the value of silver measured in commodities other than gold: using these prices with all reserve, it must still be said that they afford evidence of this fact at least that a rise in the value of gold is one of the causes which has disturbed the equilibrium of the two metals.

3. The divergence of the values of the two metals seems due to three principal causes, of which the first appears to be the most efficient:

(1).—The substitution of gold as the standard of value, in Germany, the Netherlands, and the Scandinavian Kingdoms, for silver; and, in the countries of the Latin Convention, for their customary alternative or compensatory standard of silver and gold.

(2).—The increased production of silver in the United States of America.

(3).—The decreased demand for silver in India.

4. The value of gold and silver, like that of any other commodities, depends, on the one hand, upon the supply, on the other, upon the demand for them; and this again depends upon the uses made of them: the long-continued equilibrium between the value of gold and that of silver is due to the two metals having shared, without material change of conditions, the only great field for the employment of either of them, *i. e.*, the supply of legal-tender metallic money: this equilibrium has been disturbed by the rapid supersession of silver by gold in Europe and America as the standard of value, and there-

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fore as the material of legal-tender metallic money: this supersession is calculated, *a priori*, to raise the value of gold no less than to lower the value of silver.

5. Excessive importance is not, *per se*, attached to the increased production of silver in the United States of America.

6. When India is in a normal condition, *i. e.*, when there is no abnormal demand for any of her staples, and she is not borrowing large sums from abroad, the amount of treasure required to settle her accounts with the world is not considerable; and a substantial proportion of the treasure received has always been gold: the large imports of treasure into India since 1850 are due to abnormal circumstances, as follows:

(1).—The Crimean War transferred to India large demands for produce theretofore obtained from Russia.

(2).—The American Civil War exaggerated temporarily the value of Indian cotton.

(3).—Great sums of money have been borrowed for—

(*a*) the suppression of the mutiny;

(*b*) the construction of railroads (Guaranteed and State) and canals;

(*c*) the Bengal famine.

It would be altogether misleading to treat the great imports of treasure in the last 25 years as normal, or to expect that they will, or can, continue: there is, therefore, no reason to expect that silver will be poured into India, although, of course, if it falls in value, a greater weight of it must come to represent the same value.

7. To suspend the free coinage of legal-tender metallic money, as advocated by the Bengal Chamber of Commerce, would give a monopoly value to the existing stock of rupees, and so reduce prices; whereas prices are not yet risen.

8. The value of no substance can serve as a standard-measure of value unless its use as the material of legal-tender currency is freely admitted: if, therefore, the free coinage of silver on fixed conditions were disallowed in India, silver would no longer be the standard of value of India, but another standard would be substituted, *viz.*, the monopoly value of the existing stock of rupees, tempered by any additions made to it by the Government, or illicitly: if no such additions were made, the value of the rupee would gradually, but surely, rise, owing to the supply being cut off.

9. The stamp of a properly regulated mint, such as the Indian Mints, adds nothing, except the cost of manufacture and seignorage, to the value of the metal on which it is impressed; but only certifies to its weight and purity.

10. A sound system of currency must be automatic or self-regulating: no civilised Government can undertake to determine from time to time by how much the legal tender currency should be increased or decreased; nor would it be justified in leaving the community without a fixed metallic standard of value even for a short time: it is a mistake to suppose that any European nation has rejected silver as a standard of value without substituting gold.

11. For all these reasons, the Government of India rejected as inadmissible the proposal that the Mints should be closed to the free coinage of silver for the public on fixed conditions, unless they were, at the same time, opened to the free coinage of gold as legal-tender money on fixed conditions.

12. The Government of India further concluded that there was nothing, as yet, demanding recourse to a measure so costly, and of which all the conditions were so uncertain, as the adoption of a gold standard.

Thus, the conclusions stated in the Resolution were:

1stly.—That the divergence of the values of gold and silver is not necessarily attributed only to a diminution in the value of silver; that there are strong reasons for believing that gold may have increased, as well as that silver has decreased, in value; and that this consideration must have an important bearing on the action of Government in reference to the present disorder.

2ndly.—That although it is most desirable, in the interests of trade, that the standard of value in India should be the same as the standard of value in the chief countries with which India inter-

changes commodities, yet trade will not be permanently injured by a fall in the value of the rupee measured in gold, provided only that a fresh stable equilibrium of the precious metals be attained. Regular Estimates, 1876-77.

3rdly.—That, up to the present moment, there is no sufficient ground for interfering with the standard of value.

This Resolution of the Government of India was issued some time before I took charge of my present office, and I do not now wish to offer any comments on its conclusions.

The only other representations received upon the subject by the Government of India have been complaints by various European officers in its service of the loss which they are suffering from the fall of the sterling-value of the rupee, and prayers for assistance from the State: some of these memorials are still under consideration: the Government feels much sympathy with its officers; but I cannot at present say whether it will be possible to help them. MEMORIALS FROM GOVERNMENT OFFICERS.

I am afraid that we cannot, by any means, conclude that the partial recovery of the value of silver which we have lately witnessed is permanent, and that our exchange with countries whose standard is gold will not be again, seriously, and perhaps frequently, disturbed. I can only say that the Government of India is devoting, and will continue to devote, anxious attention to the subject.

The representation of the Trades' Association in regard to stores is still receiving attention: it is the present policy of the Government of India and the Secretary of State to allow much greater freedom of resort to the local markets than heretofore. PURCHASE OF STORES IN INDIA.

I may mention, here, that the amount of Government Promissory Notes enfaced for the payment of Interest in London by drafts upon India decreased, during the year, from Rs. 14,20,23,120 to Rs. 12,94,59,526, or by Rs. 1,25,63,594, and that the price of our Four per cent. Rupee securities fell, at one time, in India (13th January) to Rs. 96¼, and in London (16th July) to Rs. 77. Our Four per cent. Rupee securities had not been at a discount in India since March 1873, and had not fallen below 90 in London since May 1868; they are now again quoted there at 88½: our Sterling bonds did not share the depression of the Rupee paper in London, which was doubtless due entirely to the fall in the price of silver. In India, our Rupee paper did not fall to a discount till the 3rd October, and the fall since then may doubtless be partly attributed to the apprehension that the Government may have large demands to make upon the money-market on account of the Famine, and to the scarcity of money in India. PROMISSORY NOTES ENFACED FOR PAYMENT OF INTEREST IN LONDON BY DRAFTS UPON INDIA. PRICE OF GOVERNMENT SECURITIES.

28. *Miscellaneous.*—The excess of Rs. 4,15,000 is accounted for by some charges connected with the visit to India of His Royal Highness the Prince of Wales having escaped record in the Accounts of 1875-76, and by the refund of £5,000 fines levied upon contractors in England and credited under the corresponding Head of Revenue. MISCELLANEOUS.

The item of Rs. 1,91,10,000 for *Famine Relief* requires no further explanation. FAMINE RELIEF.

The Army.—The following are the accounts of the Army in recent years compared with the Original and Revised Estimates of the current year— THE ARMY.

	Established Strength of the Army.		Expenditure.	Revenues and Contributions from Native States.	Net Expenditure.	Loss by Exchange on sterling expenditure.	Cost of Military Buildings.	Cost of Military Secretariats.	True Net Expenditure.
	Europeans.	Natives of India.							
	No.	No.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1869-70 ...	69,282	122,442	16,32,97,390	1,21,30,730	15,11,66,660	10,94,924	1,84,94,790	5,29,720	17,12,86,094
1870-71 ...	67,159	122,132	16,07,37,990	1,06,91,630	15,02,46,360	21,69,446	1,25,13,140	5,04,126	16,54,33,086
1871-72 ...	67,662	121,981	15,67,81,120	1,02,67,930	14,65,13,190	14,83,965	1,20,33,150	4,80,800	16,05,11,005
1872-73 ...	66,965	121,959	15,50,36,120	98,04,520	14,52,31,600	18,19,661	1,16,65,560	4,52,480	15,91,69,321
1873-74 ...	66,794	123,470	15,22,82,740	1,10,34,530	14,12,48,210	24,61,630	1,13,29,990	4,61,730	15,54,01,170
1874-75 ...	66,701	123,474	15,37,51,920	1,07,47,740	14,30,04,180	28,75,339	1,16,59,260	4,88,420	15,82,27,199
1875-76 ...	66,668	123,479	15,30,84,590	1,12,46,240	14,18,38,350	37,81,653	1,35,77,380	4,53,160	15,94,50,543
1876-77* ...	66,824	123,434	15,97,90,000	93,73,010	15,04,16,990	70,35,435	1,22,84,000	4,71,070	17,02,07,495
1876-77† ...			16,20,77,000	97,09,010	15,23,67,990	72,00,897	1,24,68,346	4,60,270	17,24,97,497
1877-78* ...	66,543	123,665	16,23,86,000	95,13,010	15,28,72,990	53,83,314	1,25,19,950	4,64,270	17,10,40,424

ITS WHOLE COST.

The Revised Estimates of the net expenditure upon the Army, as recorded in the Accounts, exceed the Original Estimates by Rs. 19,51,000, and the actual COMPARED WITH ESTIMATES.

* Orig. Est. † Reg. Est.

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net expenditure of 1875-76 by no less than Rs. 1,05,29,640: if we use the true rate of exchange for converting the Home Expenditure into Rupees, this excess over 1875-76 rises to Rs. 1,39,48,878: if all the items entered in the preceding Statement are counted, the excess is Rs. 1,30,46,948.

FINANCIAL IMPORTANCE.

It appears from this Statement, which does not quite exhaust the public expenditure upon the *Army*, that even its net cost in 1876-77, Rs. 17,24,97,497, exceeds one-third of the entire gross expenditure of British India, excepting the charge for Famine relief: the importance of our Military Finance is therefore pre-eminent; and I think it necessary to examine carefully the causes of the alarming growth of the cost of the Army.

ACCIDENTAL CAUSES OF APPARENT EXCESS.

The Army Receipts in 1875-76 were accidentally swollen by about Rs. 15,00,000, so that the increase to be explained upon the accounts of the Army, as recorded, is really the increase of gross expenditure (Rs. 89,92,410). Of this amount, again, it will be found that £300,000 is nominal, being due to the accidental transfer of payments at Home, amounting to £150,000, from 1875-76 to 1876-77.

COMPARISON OF REGULAR ESTIMATES WITH ACCOUNTS, 1875-76.

I proceed then to compare the Revised Estimates of expenditure for 1876-77 with the Accounts of 1875-76, in order to ascertain how the residue of that increase, *viz.*, £764,505 in England and Rs. 13,47,360 in India, has arisen. The following table brings out clearly the causes to which this increase is due:—

	Effective.				Non-Effective.			Grand Total, taking £1 = Rs. 10.
	England.		India.	Total, taking £1=Rs. 10.	England.	India.	Total, taking £1 = Rs. 10.	
	Stores.	Other items.						
	£	£	Rs.	Rs.	£	Rs.	Rs.	Rs.
1869-70 ...	876,491	1,436,207	12,19,32,870	14,50,79,850	1,190,403	63,54,630	1,82,58,660	16,33,38,510
1870-71 ...	929,782	1,461,809	11,91,43,760	14,30,59,670	1,140,556	63,49,270	1,77,54,830	16,08,14,500
1871-72 ...	936,780	1,331,853	11,40,84,790	13,67,70,620	1,373,481	62,76,190	2,00,10,500	15,67,81,120
1872-73 ...	811,736	1,432,806	11,34,64,880	13,59,10,360	1,279,748	63,28,390	1,91,25,820	15,50,36,120
1873-74 ...	852,635	1,248,208	11,24,38,690	13,34,47,120	1,254,645	62,90,720	1,88,37,170	15,22,84,290
1874-75 ...	1,124,644	1,056,314	11,08,12,280	13,26,21,860	1,436,820	67,61,530	2,11,29,730	15,37,51,590
1875-76 ...	1,096,947	1,027,986	11,06,15,180	13,18,64,510	1,458,262	66,37,460	2,12,20,080	15,30,84,590
1876-77, Estimate	1,096,100	1,235,600	11,20,89,000	13,64,06,000	1,916,000	65,11,000	2,56,71,000	16,20,77,000
1877-78 ...	996,000	1,215,100	11,41,29,000	13,62,40,890	1,957,500	65,70,110	2,61,45,110	16,23,86,000

It will be observed that the excess in 1876-77 over 1875-76 is about equally divided between the Effective and Non-effective branches as follows:—

	Rs.
Increase in Effective	45,41,490
„ in Non-effective	44,50,920
	89,92,410

EFFECTIVE AT HOME.

The Effective increase is divided between India and England thus:—

England	£306,767
India	Rs. 14,73,820

HOME CHARGES OF REGIMENTS.

The *Home* increase is mainly in the *Home charges of Her Majesty's Regiments serving in India*, including *Furlough Allowances of Officers of the British Service*. The charges under these two Heads have been as follows:—

	£		£
1869-70	725,233	1874-75	509,407
1870-71	658,710	1875-76	453,812
1871-72	590,805	1876-77, Regular Estimates...	750,000
1872-73	659,774	1877-78, Original Estimates...	700,000
1873-74	567,012		

Of the increase in 1876-77, £180,000 is attributed to the accidental transfer of certain payments, amounting to £90,000, from 1875-76 to 1876-77, but for which transfer the figures would have been—

1875-76	£547,953	1876-77	£660,000

Still even this residue of increase which continues in 1877-78 is formidable: it is the result of much negotiation with the War Office at Home, and does not seem susceptible of definite explanation in India.

An increase of £7,655 in the *Furlough Allowances of Indian Officers* is doubtless due to the concession of the privilege of drawing Furlough Pay at 2*s.* the rupee, with retrospective effect, to Officers who elected the Furlough Rules of 1868 before the 1st July 1871. Regular Estimates, 1876-77.

FURLOUGH ALLOWANCES.

The net cost of the passages of officers and troops and of the Overland Troop Transport Services has been as follows:— PASSAGE AND TRANSPORT.

	At Home.	Altogether at Home and in India, counting £1 = 10 Rupees.
	£.	Rs.
1869-70	278,132	42,76,430
1870-71	311,652	82,56,750
1871-72	271,373	38,42,010
1872-73	329,395	44,22,090
1873-74	381,506	46,11,760
1874-75	292,859	47,04,140
1875-76	266,734	33,44,700
1876-77 } Estimates ...	316,600	35,61,000
1877-78 }	241,100	28,74,500

This charge has of late years been somewhat diminishing, but the cost of the transports is still great.

The recent charges for stores, the yearly cost of which has been stated already, have been very heavy: this is owing to the supply of Snider Rifles to the Native Army, of new rifled guns to the Artillery, and of Martini-Henry Rifles to the European troops. STORES.

Of the Effective charges in India the following items show, on the whole, till lately, no important increase of cost; *Army and Garrison Staff, Regimental Pay and Allowances, Ordnance Establishments, Stores and Camp Equipage, Ecclesiastical, Education and Volunteer Corps.* EFFECTIVE IN INDIA.

The total expenditure for these items is as follows:—

	Rs.		Rs.
1869-70	7,79,97,350	1874-75	7,62,55,820
1870-71	7,58,73,910	1875-76	7,65,58,516
1871-72	7,63,10,110	1876-77 } Estimates ...	7,69,86,000
1872-73	7,58,66,690	1877-78 }	7,85,99,400
1873-74	7,57,65,150		

The growth in 1876-77, and still more in the coming year, is in the item *Regimental Pay and Allowances*, and is due to increased allowances to Native Troops (estimated in all at Rs. 14,22,840 a year) and to Non-Commissioned Officers of British Troops (estimated to cost Rs. 4,00,000 a year): only a small part of these new burdens falls on 1876-77. REGIMENTAL PAY AND ALLOWANCES.

The *Administrative Staff, Commissariat, Clothing* and *Medical Establishments and Services* also show rather a saving than an increase:— SERVICES WHICH SHOW NO INCREASE.

	Rs.		Rs.
1869-70	3,10,24,510	1874-75	2,71,28,750
1870-71	2,91,67,380	1875-76	2,64,75,270
1871-72	2,66,86,370	1876-77 } Estimates ...	2,66,56,000
1872-73	2,75,12,120	1877-78 }	2,81,56,310
1873-74	2,79,07,690		

The increase in 1876-77 and 1877-78 is chiefly in Commissariat supplies due to the Famine, which is estimated to add, in the two years, Rs. 18,00,000 to the cost of the Army, and to the purchase of malt liquor in India instead of in England, to the relief of the account there. Contracts have been made for 18,714 hogsheads of beer brewed at Murree, Kussowlie and other stations; and it is estimated that, in 1877-78, Rs. 3,62,220 will be thus transferred from the Home Accounts to India. Improved pay to British Medical Officers is calculated to cost Rs. 2,24,000 a year. COMMISSARIAT SUPPLIES.

The remaining Heads are *Remounts and Cattle, Barrack Establishments, Martial Law, Sea Transports and Miscellaneous Services*, and they show a nominal diminution as follows:— SERVICES WHICH SHOW DIMINUTION.

	Rs.		Rs.
1869-70	1,20,11,010	1874-75	74,27,710
1870-71	1,41,02,470	1875-76	75,81,400
1871-72	1,10,88,310	1876-77 } Estimates ...	84,47,000
1872-73	1,00,86,070	1877-78 }	73,74,180
1873-74	87,65,850		

Regular Estimates, 1876-77.

The decrease, as compared with earlier years, is, to a great extent, nominal, owing to the establishment of the Troop Transports, the cost of which is recorded in the Home Accounts, and to the transfer of Barrack Establishments to the Public Works Department. The excess in 1876-77 is in the item *Miscellaneous Services*, and is due to a charge of Rs. 10,00,000 awarded under revised instructions from the Secretary of State as compensation for loss of sums paid, up to the 1st February 1861, for the purchase of promotion; to the charges throughout India connected with the assumption of the Imperial Title (Rs. 3,00,000); and to compensation for dearness of provisions in Madras and Bombay (Rs. 4,00,000) included in the sum of Rs. 18,00,000 already stated.

Thus, of the increased Effective charges, £180,000 is due to accidental transfers of payments, amounting to £90,000, from 1875-76 to 1876-77, and the remaining Rs. 27,41,480 appear to be essentially due to the increased charges at Home for Her Majesty's Troops serving in India, and to the improved pay and allowances granted to the Native Troops and to British Non-Commissioned and Medical Officers.

Non-effective charges.

I will now examine the increases in the *Non-effective* charges, which increases all occur at Home.

The first item is *Payments to the Imperial Government on account of the Retired Pay, &c., of Troops serving or having served in India*, the charges for which have been as follows:—

	£		£
1869-70	217,000	1874-75	318,388
1870-71	239,562	1875-76	350,000
1871-72	479,974	1876-77 } Estimates ...	605,500
1872-73	371,635	1877-78 }	598,500
1873-74	288,300		

Retired Pay of H. M.'s Troops.

This item shows an increase in 1876-77 of £255,500, of which £120,000 is attributed to the postponement of payments, amounting to £60,000, from 1876-77 to 1877-78. But for this postponement, the figures would have been—

1875-76	£410,000	1876-77 Estimate ...	£545,500

the increase being £135,000. Like the *Home Charges of Her Majesty's Regiments serving in India*, these charges are the result of long negotiations with the War Office, and are beyond the control of the Government of India. The item *Deferred pay to discharged or deceased soldiers for service in India subsequent to 1st April 1876*, which is entered at £2,000 in 1876-77 and £40,000 in 1877-78, is expected to rise to £200,000 a year.

The next item appears for the first time in 1876-77, *viz.*, *Payments to the Imperial Government on account of the capitalised value, from 1st April 1874, of the proportion chargeable to Indian Revenue of the pensions granted between 18th February 1861 and 31st March 1870 to soldiers transferred from the Indian Local Army to the British Army*. This charge, which we do not expect to recur, is estimated to be in—

1876-77	£100,000	1877-78	£130,000

Retired Pay of Indian Officers.

The third item is *Retired Pay of Officers of the Indian Service, including Colonels' Allowances and including also the capitalised value of pensions granted to Indian Officers on retirement, representing the estimated value of the proportionate claim to the Colonels' Allowances*. The charges for this item, which accounts for £119,086 of the increase, are as follows:—

	£		£
1869-70	759,867	1874-75	982,209
1870-71	754,347	1875-76	982,114
1871-72	750,575	1876-77, Estimates ...	1,101,200
1872-73	765,004	1877-78 Do. ...	1,120,000
1873-74	816,598		

of which the capitalised payments, which are calculated to prevent a still larger increase hereafter, are:—

	£		£
1874-75	147,040	1876-77 } Estimates ...	111,200
1875-76	75,775	1877-78 }	100,000

The pensions from Lord Clive's Fund are diminishing, thus:— Regular Estimates, 1876-77.

	£		£
1869-70	204,384	1874-75	133,462
1870-71	131,475	1875-76	121,908
1871-72	131,535	1876-77 } Estimates ... {	108,500
1872-73	132,730	1877-78 }	108,000
1873-74	133,167		

LORD CLIVE'S FUND.

Thus it appears that, of the whole increase of £457,738 in the Home non-effective charges, £120,000 is due to an accidental transfer of payments from 1875-76 to 1876-77, £119,086 to the growing charge for *Retired Pay of Indian Officers, including Colonel's Allowances*, and £218,652 to increased demands by the Imperial Government for the retired pay and deferred pay of the troops serving or having served in India.

In concluding this Review of the Army Expenditure I have only to add that the Government of India must certainly endeavour to find the means of meeting the increased military charges, some of which are apparently inevitable, by economies in other Departments of the Military Service: their endeavours must be largely dependent for success upon the support of Her Majesty's Government. I do not assert that the whole of the additional expenditure on the Army has not been incurred for excellent objects, or that it could have been avoided; but that the Indian Revenues are liable to have great charges thrown upon them without the Government of India being consulted, and almost without any power of remonstrance, is a fact the gravity of which can hardly be exaggerated.

Guaranteed interest less net traffic receipts shows the gratifying improvement of Rs. 84,07,000. GUARANTEED INTEREST LESS NET TRAFFIC RECEIPTS.

The following Statement exhibits the whole effects recorded in the Public Accounts and Estimates upon our Revenues, of the transactions with the Companies upon whose capital interest is guaranteed from Indian Revenues.

Transactions as recorded in the Finance Accounts, upon the hypothesis that £1 = Rs. 10.

	1869-70.	1870-71.	1871-72.	1872-73.	1873-74.	1874-75.	1875-76.	1876-77, Original Estimates.	1876-77, Revised Estimates.	1877-78, Original Estimates.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Guaranteed Interest, less Net Traffic Receipts ...	1,54,70,640	1,53,48,110	1,72,52,180	2,11,05,010	1,49,73,520	1,24,45,620	97,53,190	1,26,00,000	41,93,130	1,09,00,000
Land and Supervision ...	9,13,900	8,29,530	6,61,630	16,10,560	15,24,380	5,53,940	8,33,130	9,30,00	9,12,000	7,90,000
Interest on Revenue Balances	2,76,544	2,27,392	2,57,241	2,31,363	2,69,337	3,56,431	3,49,300	3,08,000	3,20,000	2,800
Total Expenditure ...	1,66,63,084	1,64,15,032	1,81,51,051	2,29,46,933	1,67,67,237	1,33,55,991	1,09,85,930	1,38,38,000	54,25,000	1,07,80,000
Deduct Net Gain by Exchange	4,02,170	13,18,670	20,96,760	28,66,480	33,34,880	36,14,520	35,71,610	32,41,130	32,41,000	35,00,000
Net Cost of undertakings to the Indian Revenues as recorded in the Finance and Revenue Accounts ...	1,62,60,914	1,50,96,362	1,60,54,291	2,00,80,453	1,33,32,347	97,41,471	73,64,320	1,05,96,870	21,83,000	72,80,000

TOTAL NET COST OF GUARANTEED UNDERTAKINGS ACCORDING TO THE ACCOUNTS.

According to this Statement, the improvement in 1876-77, compared with the Original Estimates, is, altogether, no less than Rs. 94,14,870, and the net cost of the undertakings in 1876-77, only Rs. 11,82,000: but this Statement does not exhibit the true effect upon Indian Revenues of the transactions with these Companies: the system by which we combine the sterling transactions of the Home Treasury with the rupee transactions of the Indian Treasuries upon the hypothesis that Rs. 10 = £1, and call the totals pounds sterling or rupees, has many inconveniences; and especially obscures the truth as regards the important transactions with which I am now dealing.

In the following table I have collected the facts of the last seven years, and the estimated facts of the present and coming years, as regards these STATISTICS OF THESE UNDERTAKINGS.

Regular Estimates, 1876-77.

undertakings, from which the results to the Indian Exchequer have to be ascertained: these facts are, in themselves, well worthy of a place in this review.

Transactions of the Companies upon whose Capital interest is guaranteed from Indian Revenues.

	1869-70.	1870-71.	1871-72.	1872-73.	1873-74.	1874-75.	1875-76.	1876-77, Original Estimates.	1876-77, Regular Estimates.	1877-78, Original Estimates.
Traffic Earnings ... Rs.	7,05,79,320	7,21,90,59[illegible]	7,30,57,940	7,51,00,761	8,32,02,792	8,93,11,870	8,96,63,756	8,55,75,000	10,21,75,000	9,27,84,000
Working Expenses ... Rs.	4,12,04,040	4,35,61,240	4,11,74,569	4,64,57,492	4,7[illegible],78,350	4,74,87,392	4,70,34,569	4,59,55,000	5,35,45,000	4,84,51,000
Perceptage of Working Expenses on Earnings ... Rs.	58·379	60·342	56·359	61·860	56·582	53·170	52·456	53·701	51·896	52·213
Net Traffic Receipts ... Rs.	2,93,75,280	2,86,29,350	3,18,82,771	2,86,43,269	3,61,24,442	4,18,24,478	4,26,29,187	3,96,20,000	4,86,30,000	4,43,43,000
Surplus paid to Companies Rs.	8,13,050	7,09,600	5,95,910	8,53,956	9,15,010	42,75,619	22,72,510	19,50,000	29,94,000	40,00,000
Net Traffic Receipts applicable to relief of Indian Revenues ... Rs.	2,85,62,230	2,79,19,750	3,12,86,831	2,77,89,319	3,52,09,432	3,75,48,868	4,03,56,677	3,76,70,000	4,66,36,000	4,03,43,000
Gross Guaranteed Interest paid in sterling at Home £	4,138,15[illegible]	4,352,713	4,546,236	4,619,249	4,631,531	4,659,755	4,656,886	4,700,000	4,696,000	4,692,000
Do. do. do. paid in Rupees in India Rs.	4,12,366	4,25,773	4,94,729	4,21,153	3,91,911	3,67,992	3,34,135	3,28,000	2,41,000	2,61,000
Equivalent of total Guaranteed Interest in Rupees, at Contract Rates Rs.	4,54,11,983	4,76,98,606	4,98,34,866	5,42,29,570	5,06,18,932	5,08,96,897	5,08,13,729	4,73,06,000	4,70,83,000	4,71,61,000
Equivalent of total guaranteed interest in Rupees, sterling payments being converted at yearly average rates obtained for Secy. of State's Bills Rs.	4,30,94,883	4,66,37,388	4,78,87,577	4,90,13,122	5,01,33,910	5,06,95,142	5,19,69,307	5,53,51,718	5,49,48,120	5,33,09,326
Net Capital paid in by Companies in India ... Rs.	...	...	...	8,32,336	11,25,020	21,54,220	21,26,340	8,60,000	32,07,700	16,22,090
Net Capital withdrawn by Companies in India ... Rs.	2,63,32,272	1,51,66,000	1,14,86,180	...	...	...	...	...	...	...
The foregoing net Capital converted into pounds at Contract Rates ... £	2,434,128	1,407,359	1,097,811	27,760	75,369	137,307	176,991	50,416	339,092	128,458
The foregoing re-converted into Rupees at yearly average rates of Secretary of State's Bills ... Rs.	2,51,06,596	1,49,42,532	1,14,32,204	2,92,020	8,09,462	14,82,962	19,62,462	5,96,228	39,53,750	14,52,362

TRUE NET COST OF THESE UNDERTAKINGS.

From the foregoing table we can deduce the true cost of these undertakings to our Revenues as follows:—

True Cost to the Indian Revenues of the undertakings upon the Capital invested in which Interest is guaranteed.

	1869-70.	1870-71.	1871-72.	1872-73.	1873-74.	1874-75.	1875-76.	1876-77, Estimates.	1876-77, Regular Estimates.	1877-78, Estimates.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
GUARANTEED INTEREST AT THE AVERAGE RATES OBTAINED FOR SECRETARY OF STATE'S BILLS	4,30,94,883	4,66,37,388	4,78,87,577	4,90,13,122	5,01,33,910	5,06,95,142	5,19,69,307	5,53,51,718	5,49,48,120	5,33,09,326
LAND AND SUPERVISION ...	9,13,909	6,29,530	6,41,830	13,10,569	15,24,360	5,53,940	6,33,139	9,70,000	9,12,000	7,50,000
INTEREST ON REVENUE BALANCES	2,78,544	2,37,392	2,57,241	2,31,363	2,69,337	3,56,431	3,49,700	3,09,000	3,20,000	9,000
LOSS BY CONTRACT RATES OF EXCHANGE ON CAPITAL TRANSACTIONS...	...	...	...	5,40,310	3,65,568	6,71,852	1,63,378	2,09,771	...	1,69,638
	4,42,87,327	4,77,01,310	4,87,56,448	5,13,95,356	5,22,93,195	5,22,77,365	5,33,15,515	5,87,99,489	5,61,80,120	5,42,67,964
NET TRAFFIC RECEIPTS APPLICABLE TO RELIEF OF INDIAN REVENUES	2,85,62,230	2,79,19,750	3,12,86,831	2,77,89,319	3,52,09,432	3,75,48,868	4,03,56,677	3,76,70,000	4,66,36,000	4,03,43,000
GAIN BY CONTRACT RATES OF EXCHANGE ON CAPITAL ACCOUNT	12,25,674	2,23,468	53,976	...	...	...	...	...	51,759	...
TOTAL SETS OFF	2,97,87,904	2,81,43,218	3,13,40,807	2,77,89,319	3,52,09,432	3,75,48,868	4,03,56,677	3,76,70,000	4,66,87,759	4,03,43,000
NET COST TO REVENUES	1,44,99,423	1,95,81,092	1,74,15,641	2,36,06,036	1,70,83,763	1,47,28,497	1,29,58,838	1,91,29,489	94,92,361	1,39,24,964

The last table which I shall give is the following comparison of the true cost of these undertakings to our Revenues compared with the results shown in our Accounts:— Regular Estimates, 1876-77.

	Net cost to Indian Revenues according to Finance Accounts.	True net cost.	More.	Less.	Comparison of true net cost with the Accounts.
	Rs.	Rs.	Rs.	Rs.	
1869-70	1,62,60,914	1,44,99,423	...	17,61,491	
1870-71	1,80,96,362	1,95,61,092	14,64,730		
1871-72	1,60,54,291	1,74,15,641	13,61,350		
1872-73	2,00,80,483	2,36,06,036	35,25,553		
1873-74	1,28,32,347	1,70,83,763	42,51,416		
1874-75	97,41,471	1,47,28,497	49,87,026		
1875-76	73,64,320	1,29,58,838	55,94,518		
1876-77, Original ...	1,05,96,870	1,91,29,489	85,32,619		
1876-77, Revised ...	11,82,000	94,92,361	83,10,361		
1877-78	72,89,000	1,39,24,964	66,35,964		

Although the true estimated net cost, this year, of these undertakings thus exceeds the amount shown in our Accounts by Rs. 83,10,361, still it is by far the smallest burden that has resulted from them to our Revenues for many years; and the relief of Rs. 96,37,128 compared with the Original Estimates is most acceptable: the particulars of this improvement are as follows:— Review of true cost, 1876-77.

	Better. Rs.
Net traffic Receipts applicable to relief of Indian Revenues ...	89,66,000
Exchange on Capital transactions	2,61,530
Reduction of Interest on Capital	4,03,598
Land and supervision	18,000
Total ...	96,49,128
Interest on Revenue Balances, worse	12,000
Net improvement ...	96,37,128

Of the improvement in the Net Traffic Receipts, about 9 lakhs of Rupees is attributed to the Delhi Assemblage, and about 29 lakhs to the Famine; the remainder is said to be due to a great traffic in seeds, wheat, and other produce, corresponding with the increased exports which we shall presently observe: the saving in interest is owing to the discharge of some debentures and to the renewal of others at lower rates.

The fact that the gross traffic earnings are expected, for the first time, to exceed ten crores of Rupees, appears to me to be full of promise, and to be a signal demonstration of the services which these Railways already perform for India: there can be no question that multitudes will owe their lives to them this year. The gross traffic earnings of 1876-77 exceed those of 1869-70 by no less than Rs. 3,25,93,680, or 46 per cent., and the Net Traffic Receipts applicable to the relief of Indian Revenues in 1876-77 exceed the amount so applicable in 1869-70 by Rs. 1,80,73,770, or 46 per cent. The decrease in the percentage of working expenses is highly creditable to the management of these great undertakings, and to the supervision of the Government in the Public Works Department. Altogether, I have found nothing so gratifying in my present review of our finances as the progress of these Railways. Services of these Railways.

Their net financial result is burdened by the inclusion of the operations of the Madras Irrigation Company, which is, as yet, an absolute failure and a dead weight upon the Revenues, not nearly even paying its way. Madras Irrigation Company.

The true cost of the Madras Irrigation Company's Works to the Revenues in 1876-77 is estimated to be Rs. 6,77,729, so that the whole cost of the Guaranteed Railway system (5,866 miles) to India in 1876-77 is now estimated at Rs. 88,14,632. True Net cost of Railways only.

The following is the Net Revenue earned (including Companies' Surplus) by each line:— Net earnings of each Line.

	Rs.		Rs.
East Indian	2,34,81,000	Sindh, Punjab, and Delhi ...	22,00,000
Great Indian Peninsular	1,43,00,000	Eastern Bengal	18,88,000
Bombay and Baroda ...	28,00,000	Oudh and Rohilkund ...	11,86,000
Madras	28,00,000	South India	9,75,000
		Total ...	4,96,30,000

Regular Estimates, 1876-77.

PUBLIC WORKS ORDINARY.

Public Works Ordinary.—The excess over the Net Grant in the Imperial portion of this Head is Rs. 9,28,000; but savings in the Provincial portion reduce the net excess to Rs. 5,57,000. The following figures show the Imperial expenditure of recent years compared with the present Estimates; they include the Estimates for 1877-78, which I shall presently explain:

	Original Estimate, 1876-77.	Regular Estimate, 1876-77.	Original Estimate, 1877-78.	1875-76.	1874-75.	1873-74.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Military Works	1,22,84,000	1,24,69,000	1,23,19,850	1,33,77,380	1,18,59,260	1,12,29,600
Other Services	27,14,000	29,68,000	32,34,650	32,06,110	30,05,750	29,97,970
Collieries	1,57,000	1,30,000	2,59,000	1,16,270	1,83,370	2,12,720
Furlough Allowances ...	4,90,000	5,40,000	5,40,000	4,71,960	4,47,750	4,99,940
Royal Civil Engineering College, England	2,30,000	2,40,000	2,40,000	2,37,650	2,67,190	3,97,690
Miscellaneous payments ...	45,000	40,000	40,000	33,050	25,130	— 21,080
Irrigation Works ...	94,00,000	95,88,000	90,06,000	1,07,02,400	92,56,330	82,40,390
Delhi Assemblage ...	...	2,83,000	...	...	..	...
	2,53,20,000	2,62,58,000	2,56,39,500	2,82,44,820	2,50,44,780	2,35,57,230

The excesses over the Grant are as follows: *Military Works*, Rs. 1,85,000, attributed to expected saving not being realised; *Other Services*, Rs. 2,54,000, of which Rs. 2,00,000 is for the new Government House and other Offices at Simla, and the rest is more than accounted for by the transfer of certain Light Houses from Provincial to Imperial Funds with a grant of Rs. 64,000; *Furlough Allowances*, Rs. 50,000; *Irrigation Works*, Rs. 1,88,000. It has been found necessary to grant, in all, Rs. 3,47,350 for urgent irrigation works not provided for in the Estimates; of this sum, Rs. 1,59,350 is made good by savings on items included in the grant; the excess of Rs. 1,88,000 remains. The only important item remaining is Rs. 2,83,000, which I have included in the Estimate given under the Head of *Political Services* of the total cost of the ceremonies of the 1st January 1877 throughout India.

PUBLIC WORKS EXTRAORDINARY.

Public Works Extraordinary.—The Grant was increased in the middle of the year by Rs. 20,00,000; that the excess now expected is only Rs. 4,10,000 is owing to the accidental transfer, at the last, of a payment in England of £128,000 for stores from 1876-77 to 1877-78. Of the whole Grant, Rs. 2,83,00,000 is being spent upon Railways and the rest on Canals.

The Railway expenditure is as follows:—

	Rs.		Rs.
Rajputana ...	13,99,000	Sindhia ...	18,90,000
Western Rajputana	84,000	Northern Bengal ...	42,69,000
Neemuch ...	18,63,000	Tirhoot ...	15,10,000
Holkar ...	15,50,000	Rangoon ...	31,04,000
Wardha Valley ...	7,59,000	Punjab Northern ...	38,59,000
Chatisgarh ...	76,000	Indus Valley ...	1,00,00,000

SUMMARY.

This completes my review of the Revenue and Expenditure of 1876-77 as now estimated. Compared with the Original Estimates, the general result is that, but for the Famine, the Original Estimates, although they were in some respects more sanguine than is usual, would have been more than made good. In the midst of the gloom that the Famine casts upon the financial situation to-day, we must not forget that this result was, at one time, little expected: in July 1876 the Government was justly so alarmed at the continued fall in the price of silver, that the Viceroy deemed it right to issue a general warning to all authorities throughout India that every possible economy was called for: I am hardly prepared to say that the comparatively favorable results which, apart from the Famine, I have

now set forth, can be directly traced to that warning; but I know that, in some cases, it led to vigorous measures of retrenchment, which have already facilitated certain important financial measures which I shall describe in speaking to the Legislative Council of the arrangements proposed for the coming year. Regular Estimates, 1876-77.

WAYS AND MEANS, 1876-77.

I must next compare the Regular Estimate of *Ways* and *Means* for 1876-77 with the Original Estimate, using, as before, the abstract tables in Statements IV, V, and VI. WAYS AND MEANS, 1876-77.

The *Deficit of Imperial Revenue* has grown, as we have seen, from Rs. 3,61,50,000 to Rs. 6,07,83,000. The *Deficit of Provincial and Local Revenue* is now estimated at Rs. 28,77,000, being more than the Estimate by Rs. 1,07,000. The payments on account of the *Military Service Funds* are now estimated at Rs. 27,69,000, being Rs. 89,000 more than we expected. The net *Loans to Native States and Public bodies* are expected to be Rs. 61,30,000, being Rs. 16,50,000 more than was expected. LIABILITIES.

As these transactions possess considerable interest, I present the following account of them:— LOANS TO NATIVE STATES AND PUBLIC BODIES.

Loans to Native States and Public bodies.

		Advanced.	Recovered.	Net advances.
1872-73	...	43,88,360	17,89,690	25,98,670
1873-74	...	58,08,490	12,36,850	45,71,640
1874-75	...	80,16,540	19,00,270	61,16,270
1875-76	...	55,87,980	17,13,410	38,74,870
1876-77	...	75,10,000	13,80,000	61,30,000
TOTAL	...	3,13,11,370	80,90,920	2,32,91,450

During these five years, the sum of Rs. 2,32,91,450 has been for the most part (the loans to Native States being inconsiderable) invested, by the agency of various public bodies, in works of local improvement. The Grand Total outstanding due to the Government of India on this account, on the 31st of March 1876, was Rs. 5,67,78,790, full details of which are given in the 70th Account appended to the Finance and Revenue Accounts of India for 1875-76. The largest items are Rs. 2,14,75,860, due from the *Bombay Port Trust*; Rs. 92,05,560 from the *Calcutta Municipal Corporation*; Rs. 59,83,420 from the *Calcutta Port Fund and Port Trust*; Rs. 57,51,000 from the *Bombay Municipality*; and Rs. 21,26,670 for the *Hooghly Bridge*.

The Guaranteed Railway Companies were expected to withdraw net Rs. 10,43,000; they will, it is believed, actually withdraw Rs. 1,21,42,000. Deposits and Remittances shew an adverse balance of Rs. 78,00,000, being more than Estimate Rs. 53,70,000. Thus, we now expect to have to provide, otherwise than from the Revenues, Rs. 9,25,01,000, being more than Sir William Muir's Estimate by Rs. 4,19,08,000. GUARANTEED CAPITAL WITHDRAWN.

Of this large sum, the Covenanted and Uncovenanted *Civil Funds* will yield Rs. 11,40,000, being more than was estimated by Rs. 2,50,000. *Savings Banks Deposits* are expected to supply Rs. 10,60,000 instead of Rs. 5,00,000. ASSETS. CIVIL FUNDS. SAVINGS BANKS.

This item is not important financially; but it has so much interest of its own, that I will state the past figures:—

Savings Banks.

		Deposited.	Withdrawn.	Net Deposits.
		Rs.	Rs.	Rs.
1872-73	...	89,89,940	65,75,820	24,14,120
1873-74	...	1,17,73,520	91,86,580	25,86,940
1874-75	...	73,08,730	72,09,370	99,360
1875-76	...	73,75,390	65,35,180	8,40,210
1876-77	...	57,60,000	47,00,000	10,60,000
		4,12,07,580	3,42,06,950	70,00,630

The balances in the hands of the Government on the 31st March 1876 are shown in the 65th Account appended tothe Finance and Revenue Accounts for 1875-76 to have been Rs. 1,83,08,140, of which Rs. 1,45,19,370 were in the

Statistics, 1876-77.

Presidency Savings Banks (Rs. 93,86,040 in Bombay alone); Rs. 17,13,540 were in Regimental Savings Banks; and Rs. 20,75,230 in District Savings Banks. It was ascertained in 1873 that the Presidency Savings' Banks were being used, especially at Bombay, for purposes for which they were not intended; and means were taken to prevent the abuse. The *District Savings Banks* have made some progress during the year, but they are still quite in their infancy.

Debt incurred, 1876-77.

The net amount borrowed in 1876-77 is Rs. 3,72,40,000, being more by Rs. 74,60,000 than was estimated by Sir William Muir: the excess of £1,960,000 borrowed in England was, so far, neutralised by operations in India, chiefly by the purchase of securities already described.

Reduction of Balances.

If some unimportant items are omitted, the rest of our requirements for the year have been supplied from the Balances in our treasuries, which have been reduced by Rs. 5,41,27,937 in India, and raised by £228,200 in England. Sir William Muir calculated upon a reduction of only Rs. 1,76,23,000: he expected the Government of India to reduce its Balances by Rs. 2,69,06,000, and the Secretary of State to increase his Balance by £928,300. I have shown that the Opening Balances proved to be larger by Rs. 88,16,000 (*viz.*, Rs. 70,93,000 in India, and £172,300 in England) than was at that time expected. But making allowances for this, the net reduction amounts to the formidable sum of Rs. 2,54,07,000 in excess of Sir W. Muir's estimate, of which Rs. 2,01,29,000 is in India, and £527,800 in England. I cannot speak for the Secretary of State as regards the Balances in the Home Treasury, but the estimated Balances in India on the 31st March next (Rs. 11,53,97,000) are decidedly too low; and we have only submitted to them under the pressure arising out of the Famine.

COMMERCIAL STATISTICS, 1876-77.

Commercial Statistics, 1876-77.

The Exports and Imports of Merchandise (including Government stores but excluding treasure) during the ten months from April to January, in the years 1872-73 to 1876-77, were—

Trade of ten months.

April to January.		Exports (including re-exports).	Imports.	Net Exports.
		Rs.	Rs.	Rs.
1872-73	...	*43,78,45,284	25,52,53,692	18,25,91,592
1873-74	...	*43,09,58,722	26,43,52,662	16,66,06,060
1874-75	...	44,31,72,208	29,42,86,036	14,88,86,172
1875-76	...	46,30,93,697	30,82,62,938	15,48,30,759
1876-77	...	48,26,54,961	30,24,29,230	18,02,25,731

* These figures are for private trade only, those for Government Stores not being available.

Including treasure, the Net Exports during the same periods were—

April to January.		Net Exports of Merchandise.	Net Imports of Treasure.	Net Exports.
		Rs.	Rs.	Rs.
1872-73	...	18,25,91,592	2,90,97,380	15,34,94,212
1873-74	...	16,66,06,060	1,15,05,223	15,51,00,837
1874-75	...	14,88,86,172	5,04,96,376	9,83,89,796
1875-76	...	15,48,30,759	2,45,25,580	13,03,05,179
1876-77	...	18,02,25,731	5,21,85,306	12,80,40,425

The Gross Exports of commodities (other than treasure) in the ten months of 1876-77 exceeded those in the corresponding period in 1875-76 by nearly 2 crores, whilst the imports were 58 lakhs less: the Net Imports of treasure in the ten months of 1876-77 were 276 lakhs more than in the corresponding period in 1875-76.

The exports of the principal articles of Indian produce were as follows :— Statistics. 1876-77.

(Values in Rupees.)

		1872-73.	1873-74.	1874-75.	1875-76.	1876-77.
Coffee	(Cwt.)	226,000	234,000	167,000	165,000	169,000
	(Value)	64,72,000	86,17,000	74,04,000	66,23,000	72,25,000
Cotton Goods—						
Twist and Yarn ...	lbs.	1,529,000	2,009,000	2,143,000	4,587,000	6,817,000
	Value	8,23,000	10,53,000	11,11,000	19,68,000	31,66,000
Manufactures	Value	27,17,000	35,37,000	31,46,000	32,62,000	37,59,000
Indigo	(Cwt.)	94,000	88,000	65,000	78,000	83,000
	(Value)	2,33,82,000	2,76,12,000	2,10,75,000	2,03,80,000	2,45,04,000
Rice and Paddy	(Cwt.)	17,373,000	13,329,000	10,048,000	13,046,000	11,656,000
	(Value)	4,25,58,000	3,82,58,000	3,15,43,000	3,54,97,000	3,39,77,000
Wheat	(Cwt.)	320,000	1,338,000	998,000	2,156,000	4,839,000
	(Value)	13,52,000	61,16,000	45,76,000	77,56,000	1,67,34,000
Hides and Skins	Value	2,30,71,000	2,09,52,000	2,05,66,000	2,37,88,000	2,30,98,000
Jute, Raw and manufactured ...	Value	3,63,27,000	3,06,90,000	2,94,91,000	2,63,96,000	2,89,54,000
Lac	Value	15,65,000	19,44,000	19,24,000	59,36,000	42,53,000
Seeds	Cwt.	...	...	...	8,514,000	8,569,000
	Value	1,29,41,000	1,90,73,000	2,45,19,000	4,41,45,000	4,68,86,000
Opium	Chests	69,000	72,000	81,000	73,000	82,000
	Value	9,67,05,000	9,23,48,000	10,18,01,000	9,18,68,000	10,49,10,000
Saltpetre	Cwt.	396,000	390,000	423,000	301,000	670,000
	Value	40,77,000	40,64,000	38,70,000	25,50,000	30,27,000
Silk, Raw and manufactured ...	Value	1,11,61,000	1,08,14,000	87,27,000	53,19,000	80,14,000
Sugar and saccharine produce...	Value	46,77,000	19,17,000	27,91,000	22,66,000	60,60,000
Tea	lbs.	15,710,000	16,890,000	17,231,000	21,255,000	25,136,000
	Value	1,40,33,000	1,52,02,000	1,59,09,000	1,89,99,000	2,36,18,000
Wood, Teak	Value	32,53,000	33,16,000	26,39,000	35,63,000	27,32,000
Wool, Raw	lbs.	16,344,000	16,062,000	17,924,000	19,507,000	19,845,000
	Value	66,58,000	74,55,000	80,68,000	89,93,000	89,10,000

Exports.

The export of *Cotton Goods* continues to grow remarkably. There are now, or will immediately be, fifty-two mills at work in India for spinning and weaving cotton, *viz.* :— Cotton mills.

	Mills.	Spindles.	Throstles.	Looms.
Bombay ...	40	932,530	21,476	8,390
Bengal ...	4	101,194	3,352	100
North-Western Provinces	2	27,350	...	275
Madras ...	3	26,800	...	44
Nagpur ...	1	30,000	...	450
Hyderabad ...	1	15,172	...	200
Indore ...	1		*No information.*	
Total ...	52	1,133,046	24,828	9,459

The increase in exports of *Wheat*, *Seeds*, and *Tea* is very considerable; and, after three years of depression below the amount in 1872-73, the export of *Sugar* in 1876-77 has greatly exceeded that in 1872-73.

The following table of imports of principal articles during the ten months from April to January in 1872-73 to 1876-77 shows a slight improvement in *Cotton Goods* and a material improvement in *Metals*, which two classes of goods form the bulk of the imports. Grey cotton goods, of which the quantities in 1875 declined below the imports in 1874, show an improvement in the ten months, compared with the corresponding period in 1875-76. In the remaining articles there is, on the whole, a falling off in comparison with 1875-76:—the decline of machinery and mill-work being considerable: woollen manufactures, though less than in 1875-76, are in advance of the corresponding amounts in 1872-73 to 1874-75. I reserve for my Statement in the Imports.

Statistics, 1876-77.

Legislative Council the remarks which I have to make regarding the import duties levied on cotton goods.

(Values in Rupees.)

		1872-73.	1873-74.	1874-75.	1875-76.	1876-77.
Apparel	Value	52,04,000	49,15,000	52,36,000	53,17,000	44,43,000
Coal	Tons	233,000	240,000	220,000	243,000	336,000
	Value	32,69,000	49,62,000	42,17,000	41,60,000	62,67,000
Cotton Goods—						
Twist and Yarn	lbs.	25,6 2,000	25,358,000	31,708,000	25,924,000	26,692,000
	Value	2,14,09,000	2,16,42,000	2,70,55,000	2,28,61,000	2,23,04,000
Manufactures ...	Value	11,99,17,000	12,76,16,000	13,55,07,000	13,08,42,000	13,03,80,000
Liquors	Gallons	28,08,000	33,28,000	38,93,000	32,45,000	49,56,000
	Value	1,23,14,000	1,11,22,000	1,19,68,000	1,19,48,000	1,26,86,000
Machinery and Millwork ...	Value	38,93,000	75,10,000	96,02,000	1,20,04,000	73,06,000
Metals	Value	1,51,23,000	1,30,65,000	2,00,73,000	2,47,22,000	2,77,08,000
Railway Plant and Rolling-stock	Value	44,44,000	93,61,000	80,88,000	1,33,78,000	1,20,26,000
Salt	Tons	239 000	2,39,000	199,000	303,000	256,000
	Value	79,95.000	76,33,000	54,57,000	50,52,000	36,37,000
Silk, Raw and manufactured	Value	1,02,30,000	1,13,66,000	1,31,54,000	1,12,68,000	83,27,000
Spices	Value	19,19,000	12,41,000	15,31,000	31,57,000	36,79,000
Sugar and saccharine produce ...	Value	30,75,000	39,08,000	36,16,000	61,88,000	34.98,000
Tea	lbs.	1,961,000	1,233,000	1,364,000	2,268,000	1,537,000
	Value	19,61,000	12,33,000	13,64,000	19,72,000	12,18,000
Woollen Manufactures ...	Value	63,62,000	60,08,000	43,15,000	74,39,000	72,59,000

The Net Imports of gold and silver were as follows :—

April to January.	Net Imports of Gold.	Net Imports of Silver.	Total Net Imports of Treasure.
	Rs.	Rs.	Rs.
1872-73 ...	2,18,65,723	72,31,657	2,90,97,380
1873-74 ...	1,13,64,648	1,40,575	1,15,05,223
1874-75 ...	1,63,00,406	3,41,95,970	5,04,96,376
1875-76 ...	1,48,62,220	96,63,360	2,45,25,580
1876-77 ...	–41,02,337*	5,62,87,643	5,21,85,306

The condition of Trade in 1876-77 is understood to have been flourishing: doubtless the expansion of the Net Imports of Silver and the fact of there having been, for the first time, a Net Export of Gold, are closely connected with the fall in the gold-price of silver, and the consequent depression of the sterling exchange.

BANK'S RATE OF INTEREST AND DISCOUNT, 1876-77.

The Bank of Bengal's rate of interest on loans payable on demand has varied from 11 per cent. (from the 13th to the 27th April) to 5 per cent. (from 4th August to 21st September.) Money has thus been scarce and dear, a fact which may be attributed, partly, to the contraction of the Government Balances and the creation of a separate Government Reserve Treasury, but, to a much greater degree, probably, to the apprehensions felt by banks and capitalists as to the future value of silver. There is reason to believe that much capital was for a time, and may again be, withdrawn from the East in consequence of these apprehensions.

GOVERNMENT SECURITIES HELD BY PRESIDENCY BANKS.

The Government Securities held by the Presidency Banks have fallen from Rs. 2,44,71,000 on the 1st April and (by the latest returns) Rs. 1,64,73,000. The largest amount held by these institutions was at the end of June Rs. 2,69,15,000, since which date they have sold securities for Rs. 1,04,42,000. The following Statistics of the transactions of these Banks at the close of the 8th week (the latest date for which we have complete Statistics) of each calendar year are interesting.

STATISTICS OF PRESIDENCY BANKS.

	Assets.					Liabilities.			
	Government Securities held.	Advances on Government Securities.	Mercantile bills discounted.	Cash Balances.	Other Assets.	Reserve Funds.	Public Deposits.	Bank Post bills.	Other deposits and liabilities.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1871	151,28,000	128,57,000	351,48,000	995,08,000	58,94,000	25,44,000	624,14,000	21,76,000	677,75,000
1872	145,84,000	424,70,000	432,26,000	945,63,000	35,04,000	25,91,000	1,160,19,000	10,07,000	451,05,000
1873	219,52,000	145,04,000	370,13,000	896,36,000	55,11,000	29,79,000	795,65,000	3,83,000	520,64,000
1874	163,06,000	188,92,000	403,20,000	516,16,000	29,04,000	34,92,000	531,81,000	7,33,000	390,27,000
1875	231,93,000	170,92,000	380,22,000	579,90,000	38,07,000	35,56,000	512,00,000	6,61,000	471,00,000
1876	257,07,000	152,44,000	347,73,000	598,52,000	39,31,000	41,78,000	514,41,000	10,28,000	452,35,000
1877	164,13,000	148,87,000	325,91,000	472,81,000	33,02,000	41,96,000	305,74,000	3,86,000	443,18,000

* Net Exports.

The public Deposits fell at one time (second week of January 1877) to Rs. 2,54,66,000. Their depletion is due to the decrease of the general Balances of the Government, and, latterly, to the demands for money for the operations against the famine in the Presidencies of Madras and Bombay. Statistics, 1876-77. PUBLIC DEPOSITS.

The Presidency Banks' Act No. XI of 1876 came into operation on the 1st of May 1876, and is understood to have worked satisfactorily. New agreements have been completed, under this Act, between the Government and the Banks for the conduct of the public business at the Presidency Towns, and at the Branches of the Presidency Banks at country towns; and these agreements, too, have worked smoothly and well. PRESIDENCY BANKS' ACT, 1876.

A Government Reserve Treasury was opened in Calcutta on the 11th May 1876. The largest Balance accumulated in this Treasury was Rs. 1,66,25,677 (*on the 1st November*): this amount rapidly decreased; and, since the middle of December, the contents of the Reserve Treasury have been nominal. Local revenue is not received at this Treasury, which is supplied only by remittances from the Calcutta Mint and from the interior of the country. It is considered important to concentrate the spare resources of the State, as far as possible, in one Government Reserve Treasury, in order that they may be more readily available for use, in case of need, than they would be if they were deposited, as heretofore, in the Presidency Banks and employed in their ordinary business. The Government intends always, in ordinary times, to leave with each Presidency Bank a balance calculated upon a liberal scale with reference to the public transactions at each Bank. GOVERNMENT RESERVE TREASURY.

The rates of exchange at which the Secretary of State sold his bills upon the Government of India have ranged from 1*s.* 6·57*d.* the rupee on the 5th July to 1*s.* 10·33*d.* on 24th January, following, of course, the Sterling price of silver: the average rate, as we have seen, is 1*s.* 8$\frac{1}{2}$*d.* EXCHANGE, 1876-77.

The rate fixed for the adjustment during the year of transactions with the Imperial Treasury is 1*s.* 9$\frac{3}{4}$*d*: this rate is fixed once a year, according to the state of the exchanges in London on the date on which the calculation is made: hitherto, no forecast of the probable course of the exchanges during the year has influenced the determination of the rate: this year, the rate has been so much above the market rate that the Treasury has lost heavily by it. The amount to which the rate applies, directly, in 1876-77 (apart from furlough allowances, the proportion of which affected by the rate I cannot exactly calculate) is estimated to be net £1,371,000. At the average rate of the year we should have received in India, in exchange for this sterling sum, Rs. 1,60,52,236; by the operation of the adjusting rate we have received only Rs. 1,51,28,275; the difference (Rs. 9,23,961) is loss to the Indian Treasury arising from the adjusting rate; and perhaps Rs. 1,50,000 may be added for loss on furlough allowances. The furlough allowances of our civil and military officers and the family remittances of military officers are affected by the adjusting rate; and, in so far as the high rate of the year has mitigated the loss sustained from the depreciation of silver, by our military officers and by our poorer civil officers, the Government does not grudge its loss. One consequence of the advantage enjoyed, this year, by these officers is to be observed in the remittance by them to their families through the India Office of £275,000 more than was expected. ADJUSTING RATE, 1876-77.

The Paper Currency circulation during the first ten months of 1876 was only marked by the ordinary fluctuations due to season: towards the close of the year the circulation was increased by the issue of notes against bullion,—a measure authorised by the law but not hitherto adopted. The lowest point of the circulation, Rs. 10,53,22,945, occurred, as in 1875, in May: the recovery, however, which is observable in the dull season, took place earlier and more rapidly than in 1875: this agrees with the movements of the money-market; in 1875, the highest point of the Bank of Bengal's rates of discount was reached on the 13th May, and the first reduction took place on the 27th May; in 1876, the highest point was reached on the 13th April, and the first reduction took place on the 27th April. At the close of 1876, the amount of the circulation was almost exactly 12 crores of rupees. The largest circulation, Rs. 12,27,36,080, was on the 15th December. PAPER CURRENCY, 1876-77.

Statistics, 1876-77.

The Money Orders issued by the Government fell to a lower number and amount than has been reached for several years, as follows:—

MONEY ORDERS, 1876-77.

	No. of Orders issued.	Amount.	Average amount of each Order.	Profit.
		Rs.	Rs. A. P.	Rs.
1869-70	210,781	1,16,63,338	55 5 4	60,894
1870-71	242,702	1,30,55,924	53 12 8	64,891
1871-72	251,213	1,25,14,115	49 13 5	58,017
1872-73	269,435	1,29,21,632	47 15 4	58,387
1873-74	245,879	1,07,20,240	43 7 3	66,825
1874-75	242,001	1,01,67,465	42 2 3	56,919
1875-76	231,907	91,26,625	39 5 8	55,664

The low average amount of each order is satisfactory, as showing that these orders are being used for the purpose for which they were intended, *viz.*, to make small remittances: the diminishing use of the orders seems to show that the means of remitting money in the interior are becoming cheaper.

JOHN STRACHEY.

FORT WILLIAM,
FINANCIAL DEPARTMENT,
15th March 1877.

STATEMENTS.

I.

REVENUE AND EXPENDITURE OF THE GOVERNMENT

REVENUE.	Accounts, 1875-76.	Budget Estimates, 1876-77.	Regular Estimates, 1876-77.	Increase.	Decrease.	Budget Estimates, 1877-78.	Budget Estimates, 1877-78, compared with Regular Estimates, 1876-77. Increase.	Decrease.
CIVIL.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
I.—Land Revenue ...	21,50,50,380	21,38,22,000	20,00,63,000	...	1,37,59,000	20,94,08,000	93,45,000	...
II.—Tributes and Contributions ...	72,61,880	70,00,000	70,50,000	50,000	...	69,79,000	...	71,000
III.—Forest	67,25,280	60,00,000	61,20,000	1,20,000	...	57,92,000	...	3,28,000
IV.—Excise on Spirits and Drugs	2,49,32,320	2,52,50,000	2,48,75,000	...	3,75,000	2,56,17,000	7,42,000	...
V.—Assessed Taxes ...	5,100	...	2,000	2,000	...	...	...	2,000
VI.—Customs	2,72,25,330	2,62,00,000	2,46,92,000	...	15,08,000	2,48,69,000	1,77,000	...
VII.—Salt	6,24,44,150	6,30,00,000	6,34,30,000	4,30,000	...	6,34,30,000	...	...
VIII.—Opium	8,47,14,250	8,20,00,000	9,17,68,000	97,68,000	...	8,61,00,000	...	56,68,000
IX.—Stamps	2,83,53,680	2,83,70,000	2,86,40,000	2,70,000	...	2,89,64,000	3,24,000	...
X.—Mint	11,04,890	12,40,000	21,43,000	9,03,000	...	17,50,000	...	3,93,000
XI.—Post Office ...	76,37,650	77,80,000	80,38,000	2,58,000	...	82,59,000	2,21,000	...
XII.—Telegraph ...	30,90,400	29,00,000	33,21,000	4,21,000	...	31,55,000	...	1,66,000
XIII.—Law and Justice ...	79,64,600	84,20,000	80,83,000	...	3,37,000	84,27,000	3,44,000	...
XIV.—Police	8,41,600	5,28,000	6,56,000	1,28,000	...	7,00,000	44,000	...
XV.—Marine	23,04,310	20,04,000	20,86,000	82,000	...	20,19,000	...	67,000
XVI.—Education	10,38,910	10,28,000	10,12,000	...	16,000	10,19,000	7,000	...
XVII.—Interest	56,11,890	50,80,000	51,99,000	1,19,000	...	51,25,000	...	74,000
XVIII.—Receipts in aid of Superannuation, Retired and Compassionate Allowances	74,91,660	59,40,000	59,68,000	28,000	...	59,74,000	6,000	...
XIX.—Gain by Exchange ...	39,53,650	34,70,000	46,27,000	11,57,000	...	38,79,000	...	7,48,000
XX.—Miscellaneous ...	36,82,710	34,81,000	37,72,000	2,91,000	...	27,93,000	...	9,79,000
Total ...	50,14,34,640	49,35,13,000	49,15,45,000	...	19,68,000	49,42,59,000	27,14,000	...
Army	1,04,56,130	87,80,000	91,06,000	3,26,000	...	89,20,000	...	1,86,000
Public Works Ordinary ...	13,80,053	12,84,000	13,41,000	57,000	...	19,95,000	6,54,000	...
Irrigation	51,77,290	52,70,000	50,07,000	...	2,63,000	55,16,000	5,09,000	...
State Railways	28,95,120	41,50,000	36,96,000	...	4,54,000	67,48,000	30,52,000	...
Provincial Contributions ...	14,81,150	3,07,000	1,85,000	...	1,22,000	41,51,000	39,66,000	...
Balances of Local Governments decreased	23,33,594	16,50,000	11,87,000	...	4,63,000	3,38,000	...	8,49,000
GRAND TOTAL ...	52,51,57,887	51,49,54,000	51,20,67,000	...	28,87,000	52,19,27,000	98,60,000	...
Deficit, excluding Public Works Extraordinary	...	...	2,27,83,000	2,42,23,000	...	62,17,000	...	1,65,66,000
Deficit	2,60,17,468	3,61,50,000	6,07,83,000	2,46,33,000	...	4,24,97,000	...	1,82,86,000

Fort William;
Financial Department,
The 15th March 1877.

EDWIN KELLNER,
Offg. Deputy Comptroller General.

OF INDIA IN INDIA AND IN ENGLAND.

[*£ 1 reckoned = Rs. 10.*]

EXPENDITURE.	Accounts, 1875-76.	Budget Estimates, 1876-77.	Regular Estimates, 1876-77.	Increase.	Decrease.	Budget Estimates, 1877-78.	Budget Estimates, 1877-78, compared with Regular Estimates, 1876-77. Increase.	Decrease.
CIVIL.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1.—Interest on Funded and Unfunded Debt ...	5,17,81,080	5,36,00,000	5,41,07,000	5,07 000	...	5,64,65,000	23,58,000	...
2.—Interest on Service Funds and other Accounts ...	38,58,600	39,07,000	38,61,000	...	46,000	35,96,000	...	2,65,000
3.—Refunds and Drawbacks ...	34,63,175	30,49,000	29,10,000	...	1,39,000	30,60,000	1,50,000	...
4.—Land Revenue ...	2,53,34,500	2,48,79,000	2,50,98,000	2,19,000	...	2,50,66,000	...	32,000
5.—Forest ...	40,36,682	41,74,000	43,89,000	2,15,000	...	41,83,000	...	2,06,000
6.—Excise ...	10,13,231	8,70,000	10,83,000	2,13,000	...	10,71,000	...	12,000
7.—Customs ...	18,67,571	18,92,000	19,51,000	59,000	...	19,33,000	...	18,000
8.—Salt ...	59,75,796	52,60,000	48,65,000	...	3,95,000	51,87,000	3,22,000	...
9.—Opium ...	2,21,85,650	2,20,00,000	2,80,18,000	60,18,000	...	2,36,00,000	...	44,18,000
10.—Stamps ...	10,64,716	10,36,000	9,77,000	...	53,000	9,82,000	5,000	...
11.—Mint ...	10,76,260	9,40,000	12,97,000	3,57,000	...	8,92,000	...	4,05,000
12.—Post Office ...	84,85,035	86,91,000	86,37,000	...	54,000	89,43,000	3,06,000	...
13.—Telegraph ...	49,06,240	48,80,000	49,18,000	38,000	...	49,55,000	37,000	...
14.—Administration ...	1,42,69,076	1,39,40,000	1,45,92,000	6,52,000	...	1,42,32,000	...	3,60,000
15.—Minor Departments ...	34,49,947	31,48,000	31,33,000	...	15,000	32,28,000	95,000	...
16.—Law and Justice ...	3,21,24,471	3,27,46,000	3,25,71,000	...	1,75,000	3,29,44,000	3,73,000	...
17.—Police ...	2,13,00,488	2,10,18,000	2,11,74,000	1,56,000	...	2,09,50,000	...	2,24,000
18.—Marine ...	62,98,671	57,62,000	56,64,000	...	98,000	54,47,000	...	2,17,000
19.—Education ...	75,51,205	77,18,000	73,45,000	...	3,73,000	74,13,000	68,000	...
20.—Ecclesiastical ...	16,21,888	16,63,000	16,63,000	...	...	16,66,000	3,000	...
21.—Medical ...	60,79,717	59,39,000	59,24,000	...	15,000	59,89,000	65,000	...
22.—Stationery and Printing...	43,75,751	36,68,000	40,93,000	4,25,000	...	41,42,000	49,000	...
23.—Political Agencies ...	43,33,370	34,92,000	53,31,000	18,39,000	...	39,60,000	...	13,71,000
24.—Allowances and Assignments under Treaties and Engagements ...	1,71,37,240	1,69,60,000	1,67,89,000	...	1,71,000	1,67,35,000	...	54,000
25.—Civil Furlough and Absentee Allowances in England ...	22,91,990	22,30,000	24,06,000	1,76,000	...	23,81,000	...	25,000
26.—Superannuation, Retired and Compassionate Allowances ...	1,93,93,050	1,79,60,000	1,80,05,000	45,000	...	1,81,27,000	1,22,000	...
27.—Loss by Exchange ...	1,42,97,220	2,33,20,000	2,13,51,000	...	19,69,000	1,60,00,000	...	53,51,000
28.—Miscellaneous ...	33,06,444	29,12,000	24,27,000	4,15,000	...	29,26,000	...	4,01,000
Famine Relief ...	59,57,793	...	1,91,10,000	1,91,10,000	...	1,42,50,000	...	48,60,000
TOTAL CIVIL ...	29,79,36,857	29,67,48,000	32,36,89,000	2,69,41,000	...	30,94,23,000	...	1,42,66,000
Army ...	15,30,84,590	15,27,90,000	16,20,77,000	22,87,000	...	16,23,86,000	3,09,000	...
Public Works Ordinary ...	4,42,72,376	4,03,98,000	4,09,22,000	6,14,000	...	3,96,96,000	...	12,26,000
State Railways ...	21,47,130	29,70,000	26,54,000	...	3,16,000	48,30,000	21,76,000	...
Land and Supervision (Guaranteed Railways) ...	8,33,130	9,30,000	9,12,000	...	18,000	7,80,000	...	1,32,000
Guaranteed Interest, less net Traffic Receipts ...	97,53,098	1,26,00,000	41,93,000	...	84,07,000	1,00,00,000	58,07,000	...
Balances of Local Governments increased ...	4,41,884	1,68,000	4,03,000	2,35,000	...	10,29,000	6,26,000	...
TOTAL ORDINARY ...	50,84,69,065	51,35,14,000	53,48,50,000	2,13,36,000	...	52,81,44,000	...	67,06,000
Public Works Extraordinary ..	4,27,06,290	3,75,90,000	3,80,00,000	4,10,000	...	3,62,80,000	...	17,20,000
GRAND TOTAL ...	55,11,75,355	55,11,04,000	57,28,50,000	2,17,46,000	...	56,44,24,000	...	84,26,000
Surplus, excluding Public Works Extraordinary ...	1,66,88,822	14,40,000	...	...	...	...	...	...
Gross Guaranteed Interest ...	*4,69,02,996*	*4,73,28,000*	*4,71,01,000*	...	*2,27,000*	*4,71,82,000*	*81,000*	...
Net Traffic Receipts ...	*3,71,49,898*	*3,47,28,000*	*4,29,08,000*	*81,80,009*	...	*3,71,82,000*	...	*57,26,000*
Guaranteed Interest, less net Traffic Receipts ...	*97,53,098*	*1,26,00,000*	*41,93,000*	...	*84,07,000*	*1,00,00,000*	*58,07,000*	...

E. F. HARRISON,
Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

II.

REVENUE AND EXPENDITURE OF THE

REVENUE.	Accounts, 1875-76.	Budget Estimates, 1876-77.	Regular Estimates, 1876-77.	Increase.	Decrease.	Budget Estimates, 1877-78.	Budget Estimates, 1877-78, compared with Regular Estimates, 1876-77.	
							Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
I.—Land Revenue ...	21,50,50,380	21,38,22,000	20,00,63,000	...	1,37,59,000	20,94,08,000	93,45,000	...
II.—Tributes and Contributions from N. States...	72,61,880	70,00,000	70,50,000	50,000	...	69,79,000	...	71,000
III.—Forest	67,25,280	60,00,000	61,20,000	1,20,000	...	57,92,000	...	3,28,000
IV.—Excise on Spirits and Drugs	2,49,32,320	2,52,50,000	2,48,75,000	...	3,75,000	2,56,17,000	7,42,000	...
V.—Assessed Taxes ...	5,100	...	2,000	2,000	...	...	...	2,000
VI.—Customs	2,72,25,330	2,62,00,000	2,46,92,000	...	15,08,000	2,48,69,000	1,77,000	...
VII.—Salt	6,24,44,150	6,30,00,000	6,34,30,000	4,30,000	...	6,34,30,000	...	...
VIII.—Opium	8,47,14,250	8,20,00,000	9,17,68,000	97,68,000	...	8,61,00,000	...	56,68,000
IX.—Stamps	2,83,53,680	2,83,70,000	2,86,40,000	2,70,000	...	2,89,64,000	3,24,000	...
X.—Mint	11,04,590	12,40,000	21,43,000	9,03,000	...	17,50,000	...	3,93,000
XI.—Post Office ...	76,37,650	77,80,000	80,38,000	2,58,000	...	82,59,000	2,21,000	...
XII.—Telegraph ...	29,19,180	28,15,000	31,72,000	3,57,000	...	30,94,000	...	78,000
XIII.—Law and Justice ...	79,64,600	84,20,000	80,83,000	...	3,37,000	84,27,000	3,44,000	...
XIV.—Police	8,41,600	5,28,000	6,56,000	1,28,000	...	7,00,000	44,000	...
XV.—Marine	22,97,310	20,04,000	20,86,000	82,000	...	20,19,000	...	67,000
XVI.—Education	10,38,910	10,28,000	10,12,000	...	16,000	10,19,000	7,000	...
XVII.—Interest	52,49,160	48,80,000	50,99,000	2,19,000	...	50,25,000	...	74,000
XVIII.—Receipts in aid of Superannuation, Retired and Compassionate Allowances	65,61,670	50,44,000	50,52,000	8,000	...	50,59,000	7,000	...
XIX.—Gain by Exchange on Transactions with London	39,53,650	34,70,000	46,27,000	11,57,000	...	38,79,000	...	7,48,000
XX.—Miscellaneous ...	34,94,330	32,75,000	33,55,000	80,000	...	26,73,000	...	6,82,000
TOTAL ...	49,97,75,070	49,21,26,000	48,99,63,000	...	21,63,000	49,30,63,000	31,00,000	...
Army	93,34,640	84,08,000	86,30,000	2,22,000	...	84,50,000	...	1,80,000
Public Works Ordinary ...	12,04,543	11,04,000	11,64,000	60,000	...	18,14,000	6,50,000	...
Irrigation	51,74,530	52,70,000	50,07,000	...	2,63,000	55,16,000	5,09,000	...
State Railways	28,95,120	41,50,000	36,96,000	...	4,54,000	67,48,000	30,52,000	...
Provincial Contributions ...	14,81,150	3,07,000	1,85,000	...	1,22,000	41,51,000	39,66,000	...
Balances of Local Governments Decreased	23,33,594	16,50,000	11,87,000	...	4,63,000	3,38,000	...	8,49,000
TOTAL ORDINARY ...	52,22,48,647	51,30,15,000	50,98,32,000	...	31,33,000	52,00,80,000	1,02,48,000	...

Fort William;
Financial Department,
The 15th March 1877.

EDWIN KELLNER,
Offg. Deputy Comptroller General.

GOVERNMENT OF INDIA IN INDIA.

EXPENDITURE.	Accounts, 1875-76.	Budget Estimates, 1876-77.	Regular Estimates, 1876-77.	Increase.	Decrease.	Budget Estimates, 1877-78.	Budget Estimates, 1877-78, compared with Regular Estimates, 1876-77.	
							Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1.—Interest on Funded and Unfunded Debt ...	3,01,72,530	3,10,64,000	3,10,40,000	...	24,000	3,16,00,000	5,60,000	...
2.—Interest on Service Funds and other Accounts ...	38,53,270	39,07,000	38,61,000	...	46,000	35,96,000	...	2,65,000
3.—Refunds and Drawbacks ...	34,63,175	30,49,000	29,10,000	...	1,39,000	30,60,000	1,50,000	...
4.—Land Revenue ...	2,52,91,660	2,48,27,000	2,50,52,000	2,25,000	...	2,50,22,000	...	30,000
5.—Forest	40,11,202	41,49,000	43,63,000	2,14,000	...	41,57,000	...	2,06,000
6.—Excise on Spirits and Drugs	10,13,231	8,70,000	10,62,000	1,92,000	...	10,71,000	9,000	...
7.—Customs	18,66,131	18,92,000	19,50,000	58,000	...	19,33,000	...	17,000
8.—Salt	50,72,996	52,56,000	48,34,000	...	4,22,000	51,87,000	3,53,000	...
9.—Opium	2,21,78,510	2,19,90,000	2,30,18,000	60,28,000	...	2,36,00,000	...	44,18,000
10.—Stamps	7,12,016	7,17,000	7,24,000	7,000	...	7,23,000	...	1,000
11.—Mint	8,22,760	7,90,000	8,34,000	94,000	...	8,60,000	...	24,000
12.—Post Office	78,33,765	78,65,000	78,57,000	...	8,000	79,65,000	1,00,000	...
13.—Telegraph	40,54,620	38,13,000	38,50,000	37,000	...	39,41,000	91,000	...
14.—Administration ...	1,19,39,326	1,17,10,000	1,22,52,000	5,42,000	...	1,19,86,000	...	2,66,000
15.—Minor Departments ...	30,92,067	27,72,000	27,56,000	...	16,000	27,82,000	26,000	...
16.—Law and Justice ...	3,21,09,761	3,27,18,000	3,25,52,000	...	1,66,000	3,28,93,000	3,41,000	...
17.—Police	2,13,00,488	2,10,18,000	2,11,74,000	1,56,000	...	2,09,50,000	...	2,24,000
18.—Marine	43,14,431	40,36,000	38,88,000	...	1,48,000	39,99,000	1,11,000	...
19.—Education	75,48,205	77,12,000	73,36,000	...	3,76,000	74,07,000	71,000	...
20.—Ecclesiastical	16,11,338	16,54,000	16,30,000	...	24,000	16,52,000	22,000	...
21.—Medical	60,79,717	59,39,000	59,24,000	...	15,000	59,89,000	65,000	...
22.—Stationery and Printing ...	22,85,431	24,63,000	24,03,000	...	60,000	23,55,000	...	48,000
23.—Political	41,80,440	29,36,000	51,48,000	22,12,000	...	32,65,000	...	18,83,000
24.—Allowances and Assignments under Treaties and Engagements ...	1,69,43,680	1,67,52,000	1,65,78,000	...	1,74,00	1,65,24,000	...	54,000
25.—Civil Furlough, &c., Allowances	7,680	...	6,000	6,000	...	1,000	...	5,000
26.—Superannuation, Retired and Compassionate Allowances	79,87,950	58,60,000	57,45,000	...	1,15,000	57,67,000	22,000	...
27.—Loss by Exchange on Transactions with London ...	1,42,97,220	2,33,20,000	2,13,51,000	...	19,69,000	1,60,00,000	...	53,51,000
28.—Miscellaneous ...	29,22,134	16,82,000	19,87,000	3,05,000	...	16,36,000	...	3,51,000
Famine Relief... ...	59,51,913	...	1,91,10,000	1,91,10,000	...	1,42,50,000	...	48,60,000
TOTAL CIVIL ...	25,29,17,897	25,07,61,000	27,62,45,000	2,54,84,000	...	26,01,69,000	...	1,60,76,000
Army	11,72,52,640	11,82,07,000	11,86,00,000	3,93,000	...	12,07,00,000	21,00,000	...
Public Works Ordinary ...	4,33,25,886	3,94,03,000	4,00,08,000	6,05,000	...	3,86,69,000	...	13,39,000
State Railways	21,47,130	29,20,000	26,54,000	...	2,66,000	48,30,000	21,76,000	...
Land and Supervision (Guaranteed Railways)	8,33,130	9,30,000	9,12,000	...	18,000	7,80,000	...	1,32,000
TOTAL ORDINARY ...	41,64,76,683	41,22,21,000	43,34,19,000	2,61,98,000	...	42,51,48,000	...	1,82,71,000
Public Works Extraordinary ...	3,52,27,210	3,01,59,000	3,14,54,000	12,95,000	...	2,89,35,000	...	25,19,000
Balances of Local Governments Increased	4,41,884	1,68,000	4,03,000	2,35,000		10,29,000	6,26,000	...
GRAND TOTAL ...	45,21,45,777	44,25,48,000	47,02,76,000	2,77,28,000	...	45,51,12,000	...	1,51,64,000

E. F. HARRISON,
Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

[1]

REVENUE AND EXPENDITURE AT THE HOME

REVENUE.	Accounts, 1875-76.	Budget Estimates, 1876-77.	Regular Estimates, 1876-77.	Increase.	Decrease.	Budget Estimates, 1877-78.	Budget Estimates, 1877-78, compared with the Regular Estimates, 1876-77. Increase.	Decrease.
	£	£	£	£	£	£	£	£
I.—Land Revenue ...	...	...	...	...	...	...	...	...
X.—Mint ...	30	...	...	...	...	...	...	...
XII.—Telegraph ...	17,122	8,500	14,900	6,400	...	6,100	...	8,800
XV.—Marine ...	700	...	...	...	...	...	...	...
XVI.—Education ...	...	...	...	...	...	...	...	...
XVII.—Interest ...	36,273	20,000	10,000	...	10,000	10,000	...	...
XVIII.—Receipts in aid of Superannuation, Retired and Compassionate Allowances	92,999	89,600	91,600	2,000	...	91,500	...	100
XX.—Miscellaneous ...	18,833	20,600	41,700	21,100	...	12,000	...	29,700
TOTAL ...	165,957	138,700	158,200	19,500	...	119,600	...	38,600
Army	107,149	37,200	47,600	10,400	...	47,000	...	600
Public Works Ordinary ...	17,551	18,000	17,700	...	300	18,100	400	...
Irrigation	267	...	...	...	...	...	...	...
GRAND TOTAL ...	290,924	193,900	223,500	29,600	...	184,700	...	38,800

Fort William;
Financial Department,
The 15th March 1877.

EDWIN KELLNER,
Offg. Deputy Comptroller General.

I.

TREASURY OF THE GOVERNMENT OF INDIA.

EXPENDITURE.	Accounts, 1875-76.	Budget Estimates, 1876-77.	Regular Estimates, 1876-77.	Increase.	Decrease.	Budget Estimates, 1877-78.	Budget Estimates, 1877-78, compared with Regular Estimates, 1876-77.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
1.—Interest on Funded and Unfunded Debt ...	2,160,855	2,253,600	2,306,700	53,100	...	2,486,500	179,800	...
2.—Interest on Service Funds and other Accounts ...	533	...	...	...	...	...	...	...
4.—Land Revenue ...	4,284	5,200	4,600	...	600	4,400	...	200
5.—Forest	2,548	2,500	2,600	100	...	2,600	...	...
6.—Excise	...	...	2,100	2,100	...	...	...	2,100
7.—Customs	144	...	100	100	...	...	...	100
8.—Salt	280	400	3,100	2,700	...	...	...	3,100
9.—Opium	714	1,000	...	...	1,000	...	...	...
10.—Stamps	35,270	31,300	25,300	...	6,000	25,900	600	...
11.—Mint	25,350	15,000	41,300	26,300	...	3,200	...	38,100
12.—Post Office	65,127	82,600	78,000	...	4,600	98,000	20,000	...
13.—Telegraph	85,162	106,700	106,800	100	...	101,400	...	5,400
14.—Administration ...	232,975	223,000	234,000	11,000	...	224,600	...	9,400
15.—Minor Departments ...	35,783	37,600	37,700	100	...	44,600	6,900	...
16.—Law and Justice ...	1,471	2,300	1,900	...	900	5,100	3,200	...
18.—Marine	198,419	172,600	177,600	5,000	...	144,800	...	32,800
19.—Education	300	600	900	300	...	600	...	300
20.—Ecclesiastical	1,055	900	3,300	2,400	...	1,400	...	1,900
22.—Stationery and Printing...	209,032	120,500	169,000	48,500	...	178,700	9,700	...
23.—Political	15,293	55,600	18,300	...	37,300	69,500	51,200	...
24.—Allowance, &c. ...	19,336	20,800	21,100	300	...	21,100	...	...
25.—Civil Furlough and Absentee Allowances ...	228,431	223,000	240,000	17,000	...	238,000	...	2,000
26.—Superannuation, &c. ...	1,140,510	1,210,000	1,226,000	16,000	...	1,236,000	10,000	...
28.—Miscellaneous... ...	38,431	33,000	44,000	11,000	...	39,000	...	5,000
Famine Relief... ...	588	...	...	...	...	...	...	...
Total ...	4,501,896	4,598,700	4,744,400	145,700	...	4,925,400	181,000	...
Army	3,583,195	4,158,300	4,347,700	189,400	...	4,168,600	...	179,100
Public Works Ordinary ...	94,649	90,500	91,400	900	...	102,700	11,300	...
State Railways	...	5,000	...	...	5,000	...	...	...
Guaranteed Interest less Net Traffic Receipts	975,310	1,260,000	419,300	...	840,700	1,000,000	580,700	...
Total Ordinary ...	9,155,050	10,112,500	9,602,800	...	509,700	10,196,700	593,900	...
Public Works Extraordinary ...	747,908	743,100	654,600	...	88,500	734,500	79,900	...
GRAND TOTAL ...	9,902,958	10,855,600	10,257,400	...	598,200	10,931,200	673,800	...

E. F. HARRISON,
Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

IV.

RECEIPTS AND DISBURSEMENTS AT THE TREASURIES OF

RECEIPTS.	ACCOUNTS, 1875-76.	BUDGET ESTIMATES, 1876-77.	REGULAR ESTIMATES, 1876-77.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1877-78.	ESTIMATES, 1877-78, COMPARED WITH REGULAR ESTIMATES, 1876-77.	
							Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
I.—OPENING BALANCE ...	17,97,41,843	16,99,08,000	17,87,24,000	88,16,000	...	12,68,78,000	...	5,18,46,000
II.—IMPERIAL REVENUE ...	52,51,57,887	51,49,54,000	51,20,67,000	...	28,87,000	52,19,27,000	98,60,000	...
III.—TRAFFIC EARNINGS OF GUARANTEED RAILWAYS	8,96,71,083	8,53,02,000	10,31,74,000	1,78,72,000	...	9,27,94,000	...	1,03,80,000
IV.—LOCAL REVENUE ...	4,11,81,370	3,47,08,000	3,51,99,000	4,91,000	...	3,59,03,000	7,04,000	...
V.—SERVICE FUNDS, CIVIL ...	54,41,655	55,00,000	53,40,000	...	1,60,000	53,80,000	40,000	...
VI.—SERVICE FUNDS, MILITARY	743	...	...	...	...	...	...	...
VII.—LOANS TO NATIVE STATES, CORPORATIONS AND INDIVIDUALS REPAID ...	17,13,110	15,20,000	13,80,000	...	1,40,000	15,80,000	2,00,000	...
VIII.—SAVINGS BANKS' DEPOSITS	73,75,388	70,00,000	57,60,000	...	12,40,000	55,80,000	...	1,80,000
IX.—OTHER DEPOSITS RECEIVED & ADVANCES RECOVERED	12,84,37,471	10,99,30,000	11,52,79,000	53,49,000	...	10,55,33,000	...	97,46,000
X.—LOCAL REMITTANCES ...	88,58,810	30,00,000	70,00,000	40,00,000	...	80,00,000	10,00,000	...
XI.—INTER-PROVINCIAL AND INTER-DEPARTMENTAL TRANSACTIONS ...	16,55,32,950	17,00,00,000	17,00,00,000	...	...	17,00,00,000	...	...
XII.—REMITTANCE ACCOUNT WITH THE HOME TREASURY ...	1,30,16,030	1,01,90,000	1,39,90,000	38,00,000	...	1,17,00,000	...	22,90,000
XIII.—SECRETARY OF STATE'S BILLS ON INDIA SOLD*	12,38,96,130	13,66,00,000	12,75,00,000	...	91,00,000	12,25,00,000	...	50,00,000
XIV.—SUNDRY OBLIGATIONS INCURRED ...	60,79,462	50,00,000	55,10,000	5,10,000	...	56,80,000	1,70,000	...
XV.—PUBLIC DEBT INCURRED*	4,58,53,400	3,47,00,000	5,81,40,000	2,34,40,000	...	7,37,80,000	1,56,40,000	...
XVI.—GUARANTEED RAILWAY CAPITAL RECEIVED ...	3,36,96,442	2,37,82,000	2,63,56,000	25,74,000	...	2,15,12,000	...	48,44,000
TOTAL ...	137,56,53,774	131,20,94,000	136,54,19,000	5,33,25,000		130,87,47,000		5,66,72,000

* The Estimates in this Statement of the amounts to be borrowed and to be supplied to the Home Treasury by Bills in 1877-78 are the best that Secretary of State will raise by Bills the exact amount stated; or that the exact amount stated will be

Abstract of the above shewing how the

ACCOUNTS, 1875-76.				REGULAR ESTI	
	Rs.		Rs.		Rs.
SAVINGS BANKS' DEPOSITS ...	8,40,206	DEFICIT OF IMPERIAL REVENUE ...	2,60,17,470	SERVICE FUNDS, CIVIL ...	11,40,000
DEPOSITS RECEIVED AND ADVANCES RECOVERED ...	20,18,538	DEFICIT OF LOCAL REVENUE	40,22,930	SAVINGS BANKS' DEPOSITS ...	10,60,000
SERVICE FUNDS, CIVIL ...	11,18,471	SERVICE FUNDS, MILITARY ...	41,36,267	PUBLIC DEBT INCURRED ...	3,72,40,000
SUNDRY OBLIGATIONS ...	96,118	LOANS TO NATIVE STATES, CORPORATIONS AND INDIVIDUALS	38,74,876	SUNDRY OBLIGATIONS ...	12,15,000
REMITTANCES	23,56,914	GUARANTEED RAILWAY CAPITAL WITHDRAWN ...	1,04,31,836	CASH BALANCE REDUCED ...	5,18,46,000
PUBLIC DEBT INCURRED ...	4,10,95,219				
CASH BALANCE REDUCED ...	10,17,913				
TOTAL ...	4,84,83,379	TOTAL ...	4,84,83,379	TOTAL ...	9,25,01,000

FORT WILLIAM;
FINANCIAL DEPARTMENT,
The 15th March 1877.

EDWIN KELLNER,
Offg. Deputy Comptroller General.

HE GOVERNMENT OF INDIA IN INDIA AND IN ENGLAND. [£ 1 reckoned = Rs. 10.]

DISBURSEMENTS.	ACCOUNTS, 1875-76.	BUDGET ESTIMATES, 1876-77.	REGULAR ESTIMATES, 1876-77.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1877-78.	ESTIMATES, 1877-78, COMPARED WITH REGULAR ESTIMATES, 1876-77.	
							Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1.—IMPERIAL EXPENDITURE ...	55,11,75,357	55,11,04,000	57,28,50,000	2,17,46,000	...	56,44,24,000	...	84,26,000
2.—WORKING EXPENSES OF GUARANTEED RAILWAYS ...	4,70,32,997	4,59,17,000	5,35,44,000	76,27,000	...	4,84,51,000	...	50,93,000
3.—SURPLUS PROFITS PAID TO RAILWAY COMPANIES ...	22,72,502	19,50,000	29,94,000	10,44,000	...	40,00,000	10,06,000	...
4.—CREDITED TO GOVERNMENT AS GAIN FROM CONTRACT RATES OF EXCHANGE ON RAILWAY REVENUE ACCOUNT ...	32,15,686	27,07,000	37,28,000	10,21,000	...	31,61,000	...	5,67,000
5.—INTEREST ON GUARANTEED RAILWAY CAPITAL SUPPLIED FROM SURPLUS EARNINGS...	3,71,49,398	3,47,28,000	4,29,08,000	81,80,000	...	3,71,82,000	...	57,26,000
6.—LOCAL EXPENDITURE ...	4,52,04,300	3,73,90,000	3,80,76,000	6,86,000	...	3,45,06,000	...	35,70,000
7.—SERVICE FUNDS, CIVIL ...	43,23,184	46,10,000	42,00,000	...	4,10,000	45,70,000	3,70,000	...
8.—SERVICE FUNDS, MILITARY ...	41,37,010	26,80,000	27,69,000	89,000	...	28,33,000	64,000	...
9.—LOANS ADVANCED TO NATIVE STATES, CORPORATIONS AND INDIVIDUALS ...	55,87,986	60,00,000	75,10,000	15,10,000	...	65,80,000	...	9,30,000
0.—SAVINGS BANKS' DEPOSITS WITHDRAWN ...	65,35,182	65,00,000	47,00,000	...	18,00,000	50,80,000	3,80,000	...
1.—OTHER DEPOSITS REPAID AND ADVANCES MADE ...	12,64,18,933	10,89,78,000	12,01,99,000	1,12,21,000	...	10,97,80,000	...	1,04,19,000
2.—LOCAL REMITTANCES ...	72,52,285	30,00,000	80,00,000	50,00,000	...	80,00,000	...	...
3.—INTER-PROVINCIAL AND INTER-DEPARTMENTAL TRANSACTIONS ...	15,81,86,631	17,00,00,000	17,25,00,000	25,00,000	...	17,00,00,000	...	25,00,000
4.—REMITTANCE ACCOUNT WITH THE HOME TREASURY ...	1,26,97,260	1,36,60,000	1,66,90,000	30,30,000	...	1,21,62,000	...	45,28,000
5.—SECRETARY OF STATE'S BILLS ON INDIA PAID ...	13,08,10,830	13,66,00,000	12,41,80,000	...	1,24,20,000	12,25,00,000	...	16,80,000
6.—SUNDRY OBLIGATIONS DISCHARGED ...	60,43,344	42,40,000	42,95,000	55,000	...	39,25,000	...	3,70,000
7.—PUBLIC DEBT DISCHARGED ...	47,58,181	49,20,000	2,09,00,000	1,59,80,000	...	87,80,000	...	1,21,20,000
8.—CREDITED TO GOVERNMENT AS GAIN FROM CONTRACT RATES OF EXCHANGE ON RAILWAY CAPITAL ACCOUNT	3,55,925	3,56,000	5,16,000	1,60,000	...	3,39,000	...	1,77,000
9.—GUARANTEED RAILWAY CAPITAL WITHDRAWN ...	4,37,72,353	2,44,69,000	3,79,82,000	1,35,13,000	...	2,73,62,000	...	1,06,20,000
0.—CLOSING BALANCE ...	17,87,23,930	15,22,85,000	12,68,78,000	...	2,54,07,000	13,51,12,000	82,34,000	...
TOTAL ...	137,56,53,774	131,20,94,000	136,54,19,000	5,33,25,000	...	130,87,47,000	...	5,66,72,000

n now be made; but they are subject to modification as the year goes on; the Government must not be understood to pledge itself that the rrowed during the year; or that it will be borrowed in India or in England as the case may be

Ways and Means are provided.

ATES, 1876-77.		BUDGET ESTIMATES, 1877-78.			
	Rs.		Rs.		Rs.
DEFICIT OF IMPERIAL REVENUE ...	6,07,83,000	SERVICE FUNDS, CIVIL ...	8,10,000	DEFICIT OF IMPERIAL REVENUE ...	4,24,97,000
DEFICIT OF LOCAL REVENUE	28,77,000	SURPLUS OF LOCAL REVENUE ...	13,97,000	SERVICE FUNDS, MILITARY ...	28,33,000
SERVICE FUNDS, MILITARY ...	27,69,000	SAVINGS BANKS' DEPOSITS ...	5,00,000	LOANS TO NATIVE STATES, CORPORATIONS AND INDIVIDUALS	50,00,000
LOANS TO NATIVE STATES, CORPORATIONS AND INDIVIDUALS	61,30,000	SUNDRY OBLIGATIONS ...	17,55,000	DEPOSITS REPAID AND ADVANCES MADE ...	42,47,000
DEPOSITS REPAID ...	49,20,000	PUBLIC DEBT INCURRED ...	6,50,00,000	GUARANTEED RAILWAY CAPITAL WITHDRAWN ...	61,89,000
REMITTANCES ...	28,80,000			REMITTANCES ...	4,62,000
GUARANTEED RAILWAY CAPITAL WITHDRAWN ...	1,21,42,000			CASH BALANCE INCREASED ...	82,34,000
TOTAL ...	9,25,01,000	TOTAL ...	6,94,62,000	TOTAL ...	6,94,62,000

E. F. HARRISON,
Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

V.

RECEIPTS AND DISBURSEMENTS AT THE TREASURIES

RECEIPTS.	ACCOUNTS, 1875-76.	BUDGET ESTIMATES, 1876-77.	REGULAR ESTIMATES, 1876-77.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1877-78.	ESTIMATES, 1877-78, COMPARED WITH REGULAR ESTIMATES, 1876-77.	
							Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
I.—OPENING BALANCE ...	15,17,78,143	16,24,32,000	16,95,25,000	70,93,000	...	11,53,97,000	...	5,41,28,000
II.—IMPERIAL REVENUE ...	52,22,48,647	51,30,15,000	50,98,32,000	...	31,83,000	52,00,80,000	1,02,48,000	...
III.—TRAFFIC EARNINGS OF GUARANTEED RAILWAYS	8,96,62,183	8,53,02,000	10,31,74,000	1,78,72,000	...	9,27,94,000	...	1,03,80,000
IV.—LOCAL REVENUE ...	4,11,81,370	3,47,08,000	3,51,99,000	4,91,000	...	3,59,03,000	7,04,000	...
V.—SERVICE FUNDS, CIVIL ...	54,41,655	55,00,000	53,40,000	...	1,60,000	53,80,000	40,000	...
VI.—SERVICE FUNDS, MILITARY	743	...	...	...	...	...	...	...
VII.—LOANS TO NATIVE STATES, CORPORATIONS AND INDIVIDUALS REPAID ...	17,13,110	15,20,000	13,80,000	...	1,40,000	15,80,000	2,00,000	...
VIII.—SAVINGS BANKS' DEPOSITS	73,75,388	70,00,000	57,60,000	...	12,40,000	55,80,000	...	1,80,000
IX.—OTHER DEPOSITS RECEIVED & ADVANCES RECOVERED	12,81,31,261	10,98,90,000	11,42,08,000	43,18,000	...	10,54,93,000	...	87,15,000
X.—LOCAL REMITTANCES ...	88,58,810	30,00,000	70,00,000	40,00,000	...	80,00,000	10,00,000	...
XI.—INTER-PROVINCIAL AND INTER-DEPARTMENTAL TRANSACTIONS ...	16,55,32,950	17,00,00,000	17,00,00,000	...	...	17,00,00,000	...	...
XII.—REMITTANCE ACCOUNT WITH THE HOME TREASURY ...	1,20,72,130	87,90,000	1,30,70,000	42,80,000	...	1,02,20,000	...	28,50,000
XIII.—SECRETARY OF STATE'S BILLS ON INDIA SOLD* ..	...	...	...	...	...	...	...	...
XIV.—SUNDRY OBLIGATIONS INCURRED ...	60,79,462	50,00,000	55,10,000	5,10,000	...	56,80,000	1,70,000	...
XV.—PUBLIC DEBT INCURRED*	3,38,53,400	83,00,000	71,40,000	...	11,60,000	3,62,80,000	2,91,40,000	...
XVI.—GUARANTEED RAILWAY CAPITAL RECEIVED ...	1,63,27,412	1,46,12,000	1,74,19,000	28,07,000	...	1,63,68,000	...	10,51,000
TOTAL ...	119,07,56,664	112,90,69,000	116,45,57,000	3,54,88,000		1,12,87,55,000		3,58,02,000

* The Estimates in this Statement of the amounts to be borrowed and to be supplied to the Home Treasury by Bills in 1877-78 are the best that Secretary of State will raise by Bills the exact amount stated; or that the exact amount stated will

Abstract of the above showing how the

ACCOUNTS, 1875-76.				REGULAR ESTI	
	Rs.		Rs.		Rs.
SURPLUS OF IMPERIAL REVENUE ...	7,01,02,870	DEFICIT OF LOCAL REVENUE	40,22,930	SURPLUS OF IMPERIAL REVENUE ...	3,95,56,000
GUARANTEED RAILWAY TRAFFIC EARNINGS ...	3,68,06,862	SERVICE FUNDS, MILITARY ...	41,36,267	GUARANTEED RAILWAY TRAFFIC EARNINGS ...	4,26,67,000
DEPOSITS RECEIVED AND ADVANCES RECOVERED ...	18,29,648	LOANS TO NATIVE STATES, CORPORATIONS AND INDIVIDUALS	38,74,876	SERVICE FUNDS, CIVIL ...	11,40,000
SERVICE FUNDS, CIVIL ...	11,18,471			SAVINGS BANKS' DEPOSITS ...	10,60,000
SAVINGS BANKS' DEPOSITS ...	8,40,206	SECRETARY OF STATE'S BILLS PAID ...	13,08,10,830	REMITTANCES ...	75,10,000
REMITTANCES ...	1,90,92,392			SUNDRY OBLIGATIONS ...	12,15,000
PUBLIC DEBT INCURRED ...	2,90,95,219	CASH BALANCE INCREASED ...	1,77,46,797	GUARANTEED RAILWAY CAPITAL RECEIVED ...	33,91,000
SUNDRY OBLIGATIONS ...	36,118			CASH BALANCE REDUCED ...	5,41,28,000
GUARANTEED RAILWAY CAPITAL RECEIVED ...	16,69,914				
TOTAL ...	16,05,91,700	TOTAL ...	16,05,91,700	TOTAL ...	15,06,67,000

FORT WILLIAM;
FINANCIAL DEPARTMENT,
The 15th March 1877.

EDWIN KELLNER,
Offg. Deputy Comptroller General.

OF THE GOVERNMENT OF INDIA IN INDIA.

DISBURSEMENTS.	ACCOUNTS, 1875-76.	BUDGET ESTIMATES, 1876-77.	REGULAR ESTIMATES, 1876-77.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1877-78.	ESTIMATES, 1877-78, COMPARED WITH REGULAR ESTIMATES, 1876-77.	
							Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1.—IMPERIAL EXPENDITURE ...	45,21,45,777	44,25,48,000	47,02,76,000	2,77,28,000	...	45,51,12,000	...	1,51,64,000
2.—WORKING EXPENSES OF GUARANTEED RAILWAYS ...	4,70,32,997	4,59,17,000	5,35,44,000	76,27,000	...	4,84,51,000	...	50,93,000
3.—SURPLUS PROFITS PAID TO RAILWAY COMPANIES ...	22,72,502	19,56,000	29,94,000	10,44,000	...	40,00,000	10,06,000	...
4.—CREDITED TO GOVERNMENT AS GAIN FROM CONTRACT RATES OF EXCHANGE ON RAILWAY REVENUE ACCOUNT ...	32,15,686	27,07,000	37,28,000	10,21,000	...	31,61,000	...	5,67,000
5.—INTEREST ON GUARANTEED RAILWAY CAPITAL SUPPLIED FROM SURPLUS EARNINGS...	3,34,138	3,28,000	2,41,000	...	87,000	2,62,000	21,000	...
6.—LOCAL EXPENDITURE ...	4,52,04,300	3,73,90,000	3,80,76,000	6,86,000	...	3,45,06,000	...	35,70,000
7.—SERVICE FUNDS, CIVIL ...	43,23,134	46,10,000	42,00,000	...	4,10,000	45,70,000	3,70,000	...
8.—SERVICE FUNDS, MILITARY ...	41,37,010	26,80,000	27,69,000	89,000	...	28,33,000	64,000	...
9.—LOANS ADVANCED TO NATIVE STATES, CORPORATIONS AND INDIVIDUALS ...	55,87,986	60,00,000	75,10,000	15,10,000	...	65,80,000	...	9,30,000
10.—SAVINGS BANKS' DEPOSITS WITHDRAWN ...	65,35,182	65,00,000	47,00,000	...	18,00,000	50,80,000	3,80,000	...
11.—OTHER DEPOSITS REPAID AND ADVANCES MADE ...	12,63,01,613	10,89,38,000	12,01,59,000	1,12,21,000	...	10,97,40,000	...	1,04,19,000
12.—LOCAL REMITTANCES ...	72,52,287	30,00,000	80,00,000	50,00,000	...	80,00,000	...	...
13.—INTER-PROVINCIAL AND INTER-DEPARTMENTAL TRANSACTIONS ...	15,91,86,631	17,00,00,000	17,25,00,000	25,00,000	...	17,00,00,000	...	25,00,000
14.—REMITTANCE ACCOUNT WITH THE HOME TREASURY ...	19,32,580	13,90,000	20,60,000	6,70,000	...	11,70,000	...	8,90,000
15.—SECRETARY OF STATE'S BILLS ON INDIA PAID ...	13,08,10,830	13,66,00,000	12,41,80,000	...	1,24,20,000	12,25,00,000	...	16,80,000
16.—SUNDRY OBLIGATIONS DISCHARGED ...	60,43,344	42,40,000	42,95,000	55,000	...	39,25,000	...	3,70,000
17.—PUBLIC DEBT DISCHARGED ...	47,58,181	49,20,000	1,59,00,000	1,09,80,000	...	87,80,000	...	71,20,000
18.—CREDITED TO GOVERNMENT AS GAIN FROM CONTRACT RATES OF EXCHANGE ON RAILWAY CAPITAL ACCOUNT	3,55,925	3,56,000	5,16,000	1,60,000	...	3,39,000	...	1,77,000
19.—GUARANTEED RAILWAY CAPITAL WITHDRAWN ...	1,48,01,573	1,34,69,000	1,35,12,000	43,000	...	1,47,46,000	12,34,000	...
20.—CLOSING BALANCE ...	16,95,24,940	13,55,26,000	11,53,97,000	...	2,01,29,000	12,50,00,000	96,03,000	...
TOTAL ...	119,07,56,664	112,90,69,000	116,45,57,000	3,54,88,000	...	112,87,55,000	...	3,58,02,000

tan now be made; but they are subject to modification as the year goes on; the Government must not be understood to pledge itself that the be borrowed during the year; or that it will be borrowed in India or in England as the case may be.

Ways and Means are provided.

MATES, 1876-77.

	Rs.
DEFICIT OF LOCAL REVENUE	28,77,000
SERVICE FUNDS, MILITARY ...	27,69,000
LOANS TO NATIVE STATES, CORPORATIONS AND INDIVIDUALS	61,30,000
DEPOSITS REPAID AND ADVANCES MADE ...	59,51,000
SECRETARY OF STATE'S BILLS PAID ...	12,41,80,000
PUBLIC DEBT DISCHARGED ...	87,60,000
TOTAL ...	15,96,67,000

BUDGET ESTIMATES, 1877-78.

	Rs.
SURPLUS OF IMPERIAL REVENUE	6,49,68,000
SURPLUS OF LOCAL REVENUE ...	13,97,000
GUARANTEED RAILWAY TRAFFIC EARNINGS ...	3,69,20,000
SERVICE FUNDS, CIVIL ...	8,10,000
SAVINGS BANKS' DEPOSITS ...	5,00,000
REMITTANCES ...	90,50,000
SUNDRY OBLIGATIONS ...	17,55,000
PUBLIC DEBT INCURRED ...	2,75,00,000
GUARANTEED RAILWAY CAPITAL RECEIVED... ...	12,83,000
TOTAL ...	14,41,83,000

	Rs.
SERVICE FUNDS, MILITARY ...	28,33,000
LOANS TO NATIVE STATES, CORPORATIONS AND INDIVIDUALS	50,00,000
DEPOSITS REPAID AND ADVANCES MADE ...	42,47,000
SECRETARY OF STATE'S BILLS PAID ...	12,25,00,000
CASH BALANCE INCREASED ...	96,03,000
TOTAL ...	14,41,83,000

E. F. HARRISON,
Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

VI.

RECEIPTS AND DISBURSEMENTS AT THE HOME

RECEIPTS.	Accounts, 1875-76.	Budget Estimates, 1876-77.	Regular Estimates, 1876-77.	Increase.	Decrease.	Budget Estimates, 1877-78.	Estimates, 1877-78, compared with Regular Estimates, 1876-77.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
I.—Opening Balance ...	2,796,370	747,600	919,900	172,300	...	1,148,100	228,200	...
II.—Imperial Revenue ...	290,924	193,900	223,500	29,600	...	184,700	...	38,800
III.—Traffic Earnings of Guaranteed Railways	890	...	...	...	...	...	...	...
X.—Other Deposits Received and Advances Recovered. ...	30,621	4,000	107,100	103,100	...	4,000	...	103,100
XIII.—Remittance Account with the Home Treasury ...	94,390	140,000	92,000	...	48,000	148,000	56,000	...
XIV.—Secretary of State's Bills on India sold*	12,389,613	13,660,000	12,750,000	...	910,000	12,250,000	...	500,000
XVI.—Public Debt incurred*	1,200,000	2,640,000	5,100,000	2,460,000	...	3,750,000	...	1,350,000
XVII.—Guaranteed Railway Capital received ...	1,696,963	917,000	893,700	...	23,300	514,400	...	379,300
TOTAL ...	18,489,711	18,302,500	20,086,200	1,783,700	...	17,999,200	...	2,087,000

* The Estimates in this Statement of the amounts to be borrowed and to be supplied to the Home Treasury by Bills in 1877-78 are the best the Secretary of State will raise by Bills the exact amount stated; or that the exact amount stated will

Abstract of the above showing how the

ACCOUNTS, 1875-76.				REGULAR ESTI	
	£		£		£
Secretary of State's Bills sold ...	12,389,613	Deficit of Revenue ...	8,636,724	Secretary of State's Bills sold ...	12,750,000
Deposits received and advances recovered ...	18,889	Interest on Guaranteed Railway Capital ...	4,655,996	Public Debt incurred ...	4,600,000
Public Debt incurred ...	1,200,000	Remittances ...	982,078	Deposits received and advances recovered ...	103,100
Cash balance reduced ...	1,876,471	Guaranteed Railway Capital withdrawn ...	1,210,175		
TOTAL ...	15,484,973	TOTAL ...	15,484,973	TOTAL ...	17,453,100

Fort William;
Financial Department,
The 15th March 1877.

EDWIN KELLNER,
Offg. Deputy Comptroller General.

TREASURY OF THE GOVERNMENT OF INDIA IN ENGLAND.

DISBURSEMENTS.	Accounts, 1875-76.	Budget Estimates, 1876-77.	Regular Estimates, 1876-77.	Increase.	Decrease.	Budget Estimates, 1877-78.	Estimates, 1877-78, compared with Regular Estimates, 1876-77. Increase.	Decrease.
	£	£	£	£	£	£	£	£
1.—Imperial expenditure ...	8,927,648	9,595,600	9,838,100	242,500	...	9,931,200	93,100	...
4.—Interest on guaranteed railway capital supplied from surplus earnings	4,656,886	4,700,000	4,686,000	...	14,000	4,692,000	6,000	...
11.—Other deposits repaid and advances made ...	11,732	4,000	4,000	...	...	4,000	...	...
14.—Remittance account with the Home Treasury ...	1,076,468	1,227,000	1,463,000	236,000	...	1,099,200	...	363,800
17.—Public debt discharged ...	...	...	500,000	500,000	...	...	...	500,000
18.—Guaranteed railway capital withdrawn ...	2,897,078	1,100,000	2,447,000	1,347,000	...	1,261,600	...	1,185,400
20.—Closing balance ...	913,899	1,675,900	1,148,100	...	527,800	1,011,200	...	136,900
TOTAL ...	18,489,711	18,302,500	20,086,200	1,783,700	...	17,999,200	...	2,087,000

that can now be made; but they are subject to modification as the year goes on; the Government must not be understood to pledge itself that be borrowed during the year; or that it will be borrowed in India or in England as the case may be.

Ways and Means are provided.

MATES, 1876-77.

	£
Deficit of revenue ...	9,614,600
Interest on guaranteed railway capital ...	4,686,000
Remittances ...	1,371,000
Guaranteed railway capital withdrawn ...	1,553,300
Cash balance increased ...	228,200
TOTAL ...	17,453,100

BUDGET ESTIMATES, 1877-78.

	£
Secretary of State's bills sold ...	12,250,000
Public debt incurred ...	3,750,000
Cash balance reduced ...	136,900
TOTAL ...	16,136,900

	£
Deficit of revenue ...	9,746,500
Interest on guaranteed railway capital ...	4,692,000
Remittances ...	951,200
Guaranteed railway capital withdrawn ...	747,200
TOTAL ...	16,136,900

E. F. HARRISON,
Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of Indi

LOCAL REVENUE AND EXPENDITURE.

Estimates, 1877-78.

REVENUE.	ACCOUNTS, 1875-76.	BUDGET ESTIMATES, 1876-77.	REGULAR ESTIMATES, 1876-77.	REGULAR ESTIMATES, COMPARED WITH BUDGET ESTIMATES, 1876-77.	BUDGET ESTIMATES, 1877-78.	BUDGET ESTIMATES, 1877-78, COMPARED WITH REGULAR ESTIMATES, 1876-77.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
OPENING BALANCE ..	2,13,65,750	1,73,42,820	1,73,42,820	...	1,44,65,820	—28,77,000
TAXES, RATES AND CESSES—						
On lands ...	1,90,22,660	2,09,90,570	1,94,24,000	—15,66,570	2,10,12,000	+15,88,000
On houses ...	5,73,820	5,23,380	6,62,000	+ 1,38,620	6,65,000	+ 3,000
Assessed taxes ...	1,85,740	1,75,810	1,77,000	+ 1,190	1,88,000	+ 11,000
Miscellaneous taxes—						
Octroi ...	56,330	87,860	54,000	— 33,860	63,000	+ 9,000
License ...	3,61,900	3,64,810	3,75,000	+ 10,190	3,71,000	— 4,000
Miscellaneous ...	1,83,170	30,160	40,000	+ 9,840	30,000	— 10,000
	2,03,83,620	2,21,72,590	2,07,32,000	—14,40,590	2,23,29,000	+15,97,000
DEPARTMENTAL RECEIPTS—						
Jails ...	31,080	41,770	52,000	+ 10,230	55,000	+ 3,000
Registration ...	54,640	46,560	93,000	+ 46,440	1,08,000	+ 15,000
Police ...	3,54,030	2,92,850	2,20,000	— 72,850	2,58,000	+ 38,000
Education ...	6,30,380	4,91,990	4,93,000	+ 1,010	5,19,000	+ 26,000
Medical ...	73,830	67,900	76,000	+ 8,100	70,000	— 6,000
Printing ...	730	4,000	4,000	...	...	— 4,000
Marine ...	2,57,900	2,19,240	2,02,000	— 17,240	2,30,000	+ 28,000
	14,02,540	11,64,310	11,40,000	— 24,310	12,40,000	+ 100,00
MISCELLANEOUS RECEIPTS—						
Tolls ...	27,55,170	26,47,470	26,71,000	+ 23,530	26,38,000	— 33,000
Pert dues ..	8,61,470	7,88,450	7,87,000	— 1,450	8,64,000	+ 77,000
Interest ...	1,13,120	3,31,400	3,83,000	+ 51,900	3,82,000	— 1,000
Rents ...	8,82,680	7,59,180	6,87,000	— 72,180	8,16,000	+ 1,29,000
Sale of lands, houses, &c.	1,96,930	2,45,520	2,17,000	— 28,520	1,42,000	— 75,000
Cattle trespass fines ...	10,19,450	10,18,380	10,88,000	+ 69,620	10,40,000	— 48,000
Miscellaneous fees and fines	7,69,710	8,11,780	7,52,000	— 59,780	7,41,000	— 11,000
Contributions ...	5,02,350	5,29,260	5,77,000	+ 47,740	5,46,000	— 31,000
Sundry receipts ...	23,57,080	7,14,420	16,66,000	+ 9,51,580	9,40,000	— 7,26,000
	94,37,960	78,45,560	88,28,000	+ 9,82,440	81,09,000	— 7,19,000
CONTRIBUTIONS	64,33,500	10,00,460	16,43,000	+ 6,42,540	12,40,000	— 4,03,000
PUBLIC WORKS ...	15,64,190	18,67,660	15,63,000	— 3,04,660	14,70,000	— 93,000
TOTAL REVENUE ...	3,92,41,810	3,40,50,580	3,39,06,000	— 1,44,580	3,43,88,000	+ 4,82,000
DEBT ACCOUNTS ..	14,97,680	4,89,420	8,90,000	+ 4,00,580	4,86,000	— 4,04,000
BALANCES OF THE LOCAL GOVERNMENTS INCREASED	4,41,880	1,68,000	4,03,000	+ 2,35,000	10,29,000	+ 6,26,000
	4,11,81,370	3,47,08,000	3,51,99,000	+ 4,91,000	3,59,03,000	+ 7,04,000
GRAND TOTAL ... Rs.	6,25,47,120	5,20,50,820	5,25,41,820	+ 4,91,000	5,03,68,820	—21,73,000

EXPENDITURE.	ACCOUNTS, 1875-76.	BUDGET ESTIMATES, 1876-77.	REGULAR ESTIMATES, 1876-77.	REGULAR ESTIMATES, COMPARED WITH BUDGET ESTIMATES, 1876-77.	BUDGET ESTIMATES, 1877-78.	BUDGET ESTIMATES, 1877-78, COMPARED WITH REGULAR ESTIMATES, 1876-77.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
REFUNDS ...	6,75,630	1,73,660	4,11,000	+ 2,37,340	1,16,000	— 2,95,000
COLLECTION OF TAXES AND CESSES ...	2,42,880	2,52,790	2,43,000	— 9,790	2,38,000	— 5,000
JAILS ...	30,970	14,700	15,000	+ 300	13,000	— 2,000
REGISTRATION ...	40,250	39,450	45,000	+ 5,550	57,000	+ 12,000
POLICE ...	31,43,680	31,11,350	30,83,000	— 28,350	31,29,000	+ 46,000
EDUCATION ...	29,90,220	32,54,090	33,06,000	+ 51,910	32,59,000	— 47,000
MEDICAL ...	8,43,090	9,92,440	9,38,000	— 54,440	10,05,000	+ 67,000
PRINTING ...	7,200	7,910	12,000	+ 4,090	5,000	— 7,000
MARINE ...	5,26,780	6,96,470	6,54,000	— 42,470	6,95,000	+ 41,000
MINOR ESTABLISHMENTS—						
General management ...	9,23,060	6,56,870	8,94,000	+ 2,37,130	9,03,000	+ 9,000
Model farms ...	...	...	...	...	...	...
Botanical and other public gardens ...	55,880	51,790	52,000	+ 210	51,000	— 1,000
Collection of tolls, rates, rents, &c. ...	1,42,110	1,53,810	1,91,000	+ 37,190	1,64,000	— 27,000
Collection of cattle trespass fines ...	3,56,780	4,13,460	3,82,000	— 31,460	4,31,000	+ 49,000
Cemeteries ...	2,620	2,240	3,000	+ 760	3,000	...
District post ...	5,42,050	5,61,570	5,46,000	— 15,570	5,77,000	+ 31,000
Miscellaneous establishments	55,64,620	58,81,310	52,60,000	— 6,21,310	56,31,000	+ 3,71,000
	75,87,120	77,21,050	73,28,000	— 3,93,050	77,60,000	+ 4,32,000
MISCELLANEOUS ...	42,35,500	10,73,260	22,14,000	+11,40,740	10,17,000	—11,97,000
CONTRIBUTIONS ...	17,61,710	10,74,240	16,26,000	+ 5,51,760	10,97,000	— 5,29,000
	2,20,85,030	1,84,11,410	1,98,75,000	+14,63,590	1,83,91,000	—14,84,000
PUBLIC WORKS ...	1,93,39,740	1,71,31,680	1,66,19,000	— 5,12,680	1,52,27,000	—13,92,000
TOTAL EXPENDITURE ...	4,14,24,770	3,55,43,090	3,64,94,000	+ 9,50,910	3,36,18,000	—28,76,000
DEBT ACCOUNTS ...	14,45,940	1,96,910	3,95,000	+ 1,98,090	5,50,000	+ 1,55,000
BALANCES OF THE LOCAL GOVERNMENTS DECREASED	23,33,590	16,50,000	11,87,000	— 4,63,000	3,38,000	— 8,49,000
	4,52,04,300	3,73,99,000	3,80,76,000	+ 6,86,000	3,45,06,000	—35,70,000
CLOSING BALANCE ...	1,73,42,820	1,46,60,820	1,44,65,820	— 1,95,000	1,58,62,820	+ 13,97,000
GRAND TOTAL ... Rs.	6,25,47,120	5,20,50,820	5,25,41,820	+ 4,91,000	5,03,68,820	—21,73,000

FORT WILLIAM;
FINANCIAL DEPARTMENT,
The 15th March 1877.

EDWIN KELLNER,
Offg. Deputy Comptroller General.

E. F. HARRISON,
Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

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GOVERNMENT OF INDIA.

FINANCIAL DEPARTMENT.

FINANCIAL STATEMENTS

FOR

1878-79.

CALCUTTA:
OFFICE OF THE SUPERINTENDENT OF GOVERNMENT PRINTING
1878.

The Financial Statement, as published in the *Gazette Extraordinary* of the 18th March, contains some clerical and typographical errors. The Edition republished in the *Gazette* of Saturday, the 23rd instant, is believed to be correct throughout. The accompanying corrected copy of the Statement is accordingly supplied, with a request that quotations may be made from it, and not from the *Gazette Extraordinary*.

FINANCIAL STATEMENT FOR 1878-79.

No. 1911, dated 18th March 1878.

RESOLUTION—By the Government of India, FINANCIAL DEPT.

1. Such full explanations of the general financial situation of the Government of India have lately been given in the Legislative Council of the Governor General, in connection with the new measures of taxation which have been adopted, that the necessity for entering into much detail at present has been obviated. As no legislation is required to carry out any measures which the Government of India now proposes to adopt, the Financial Statement necessarily takes the form of a Resolution of the Government, for no Statement could be made in the Legislative Council without disregarding the provisions of the Act of Parliament by which the Council is constituted. It will, however, be convenient to recapitulate the main facts which have lately been laid before the Council and the public, and to refer to the more important measures, whether of taxation or of financial administration, which have been taken during the past year.

2. A Statement in explanation of the Accounts of the year 1876-77, of the Regular Estimates of the current year 1877-78, and of the Budget Estimates of the coming year 1878-79, accompanies this Resolution. The main results will now be summarized.

3. The Accounts of 1876-77 show a deficit on the ordinary account of £2,182,778, of which a sum of £3,450,000 is due to Famine Expenditure and Loss of Revenue.

4. The Expenditure on Productive Public Works (under which designation the class of works will be henceforth spoken of hitherto termed Extraordinary) was £3,809,284.

5. The Regular Estimate for 1877-78 shows a deficit on the Ordinary Account of £3,431,000. This result is worse than the Budget Estimate by £2,809,300, due to the prolongation of the Famine in Southern India, which is now expected to cost, in loss of revenue and direct expenditure during the current year, £6,500,000.

6. The Expenditure on Productive Works for 1877-78 is now estimated at £4,877,000.

7. The effects of the Famine have so entirely disturbed the whole of the Financial arrangements of these two years that no useful comparison can be instituted between the Budget Estimates and the later results. Full details, however, will be found in the Statement appended to this Resolution.

8. The Budget Estimates for 1878-79 show the Ordinary Revenue at £63,250,000, and the Ordinary Expenditure at £61,094,000, with a surplus of £2,156,000.

9. The increase of the Revenues compared with the Regular Estimates for 1877-78 is due, to the extent of £2,654,000, to the incorporation of Provincial rates which have hitherto been excluded; £929,000 arises from new taxation.

The land revenue of 1877-78 having been about £1,300,000 in deficit of the normal receipts, and that of 1878-79 being about £700,000 in excess,

accounts for an apparent improvement in the Budget Estimate of nearly £2,000,000.

The improvement in the Excise, £248,000, is partly real and the result of improved administration, and partly due to depression in 1877-78.

Under Assessed Taxes is shown the proceeds of the New License Tax amounting to £765,000.

The decrease under Customs and increase under Salt will be explained subsequently.

The net revenue under Opium is taken at 6 millions, being less by about £500,000 than the Regular Estimate. This decrease is mainly due, as explained in the Statement, to a failure in the opium crop in Malwa.

The decrease under Mints is due to the very large coining operations of 1877-78.

The head Guaranteed Railways shows a decrease of £965,000, the revenue having been swollen by famine and other exceptional causes during the current year.

State Railways show an estimated increase of £430,000, with a gross income of £967,000.

10. The ordinary expenditure excluding £555,000 for Famine amounts to £60,539,000, showing an increase over the corresponding estimated expenditure for 1877-78 (also excluding Famine) of £3,860,000, of which £2,832,100 is due to the incorporation of the Provincial Expenditure now for the first time brought into the general accounts.

Under Expenditure, the increase under Interest is £161,000, the total charge being £5,909,000. The apparent increases under Land Revenue, Minor Departments, Police, Education and some other less important heads are due to the transfers from Provincial Funds.

The reduction under Opium, £469,000, arises from reduced payments to cultivators.

The largely increased remittances in the coming year lead to an increase of £1,384,000 under the head Loss by Exchange.

Famine Relief shows a reduction of £4,734,000. The estimate provides for £500,000 for relief, to which £55,000 has to be added under Army. The corresponding charge last year under Army was £200,000.

The Expenditure under Army shows a satisfactory diminution of £636,000, due to the extent of £230,100 to expenditure in India, the rest being under Stores in England.

The increase under Public Works Ordinary is due to the Provincial Expenditure.

State Railways show an increase of £298,000 with a total of £704,000, leaving a net increase of £263,000.

11. The Expenditure under Productive Public Works, hitherto classed as Public Works Extraordinary, is estimated for 1878-79 at £4,555,000. This grant is less by £322,000 than the Regular Estimate for 1878-79, but exceeds the Budget Grant of that year by £927,000. The excess expenditure under this head in the current year was due partly to the desire to complete the Indus Valley Railway, and partly to works undertaken for Famine relief.

12. Taking into account the capital transactions with the Guaranteed Railway Companies and the loans to Native States, &c., the net sum borrowed in 1876-77 was £3,306,595, exceeding by £1,409,795 the sum (£1,896,800) entered in the Regular Estimates. This, and some other circumstances, explain the excess of £2,776,865 in the Opening Balances of 1877-78 as compared with the Regular Estimates. In 1877-78 the net sum borrowed similarly calculated amounts to £6,726,000, exceeding by £1,344,900 the sum £5,381,100 shown

in the Budget Estimates. The Closing Balances of the year are now expected to be £16,000,000, being more than the Opening Balances by £535,335, and than the estimated Closing Balances by £2,488,800. The great extra expenditure imposed upon the State by the prolongation of the Famine was practically almost entirely met by the excess sum borrowed in the two years compared with the Estimates of the 15th March last, *viz.*, £2,754,695.

Next year it is proposed to borrow in all only £2,500,000, of which £600,000 is wanted for loans to Native States and the like, and £1,000,000 for repayment to the Guaranteed Railway Companies; the net sums therefore added to the Debt will, if the Estimates are realised, be only £900,000. But, on the other hand, the balances will be reduced by £1,500,000. The Government of India cannot at present give any information about the time or manner in which it will borrow the £2,500,000 set down in the Estimates, or any other sum which it may actually want. The Closing Balance of 1878-79 is estimated at £14,500,000. Of the Closing Balances, £14,734,600 in 1877-78 and £13,069,200 in 1878-79 are expected to be in the Indian Treasuries.

13. The total net cost of the Famine in Southern India is now estimated to be—

	£
In 1876-77	3,450,000
In 1877-78	6,500,000
TOTAL	9,950,000

In 1878-79 it is, at present, expected that arrears of land revenue lying over from the famine years will be recovered in excess of the famine expenditure occurring in the year by about £116,000. Upon the whole, it seems probable that the whole net cost of the Famine will be about nine-and-three-quarters millions sterling, *viz.*:—

	£
In the Bombay Presidency	1,300,000
In the Madras Presidency	8,450,000
	9,750,000

14. In the Financial Statement for 1877-78 made by the Hon'ble Sir John Strachey on the 15th March 1877 it was shown as the result of a careful examination of the actual Accounts of the Revenues and Expenditure of the Empire during the preceding seven years that, excluding the cost of famine relief, the Government had just managed to pay its way. Before the commencement of the great famine from which the country has lately been suffering, and the effects of which have even now not entirely passed away, the finances of India might be considered to be in a condition of equilibrium. But for one reason the financial position would have been satisfactory. The ordinary public expenditure, with the exception of that incurred in England for the Army, not only showed no tendency to increase, but, excluding famine relief, it was less in 1875-76 by more than £1,000,000 than it had been seven years before. Excluding *Loss by Exchange*, an element altogether beyond our control, the net expenditure during the same period had decreased by £2,254,000. It was shown also that the net revenue of the Empire had increased in seven years by more than £2,000,000, or at the average rate of nearly £300,000 a year. Thus, but for one cause, we might have hoped that no addition to the burdens of the country would be necessary, and that the normal growth of the revenues would have enabled the Government to go on gradually carrying out those measures of fiscal and administrative reform which it felt to be essential to the prosperity and progress of the Empire. The cause which rendered nugatory all such anticipations and beliefs was the recognition of the fact that the obligations entailed on the Government by the periodical and inevitable recurrence of famine must be provided for among the ordinary charges of the State.

15. When it was thus admitted that famines must be looked on not as abnormal or exceptional calamities, but as certain from time to time to recur, it became obvious that sound financial policy obliged the Government to reject altogether the expedient of trusting to borrowing to meet the charges which they entailed, and that it was essential to make such an improvement in the financial position of the Government as would enable it to meet these charges from its ordinary revenue. This could only be done satisfactorily by securing in years of prosperity a substantial surplus of revenue over expenditure by means of which the Government could meet the charges thrown upon it in years of famine.

16. It was not possible to estimate with any confidence the amount of financial relief which was necessary before the Government could undertake these new burdens, but for reasons which were explained by the Hon'ble Sir John Strachey in his speech in the Legislative Council on the 27th December 1877, the Government decided that the yearly average cost of famines, in loss of revenue and actual expenditure, could not safely be estimated at less than £1,500,000.

17. It was necessary therefore (on account of famine alone) to improve the financial position by that amount. Besides this it was necessary to provide a margin on the annual estimates of at least £500,000, to meet those contingencies which cannot be foreseen but to which we must always be liable, and to assist the Government in providing the means of proceeding steadily with the administrative and fiscal improvements which from time to time become necessary.

Thus, the conclusion was arrived at, that when the late famine commenced, or we may say at the beginning of the current year 1877-78, the revenues were deficient to the amount of about £2,000,000 a year.

18. In considering how these additional resources could be supplied, the Government of India anxiously directed its attention in the first instance to the possibility of reducing expenditure. In regard to the civil expenditure, although there are still some branches of the Administration for which the charges ought undoubtedly to be diminished, the Government was satisfied that no very great reduction could be hoped for. In the seven years to which reference has been made the net civil expenditure was reduced by £1,500,000 a year. This fact justifies the Government of India in declaring that the administration of the finances has been conducted with care and economy in the past, and entitles it to claim confidence when it asserts its resolution to exercise similar care and economy in the future.

19. No reduction could be looked for in the charges for Productive Public Works, for, although the receipts from the Railways and Irrigation Works have rapidly increased and the financial results that have been obtained from these great undertakings are as a whole satisfactory and encouraging, the Government hopes to push on these useful works even more vigorously in the future than it has done in the past. Thus only can it discharge the responsibility which it has accepted, of sparing no efforts which it is possible to make for the purpose of protecting the country against the consequences of drought and famine. Past experience has proved that even from a merely financial point of view it is wise strenuously to persevere in this policy. The burden on the revenues on account of these great works goes on steadily diminishing. During the last twenty-five years more than £130,000,000 has been spent in India, either directly by the Government, or through the Guaranteed Companies, on Railways and Works of Irrigation. In 1876-77 the total net charge for interest on this account was about £1,000,000, or about sixteen shillings per cent. on the capital outlay, an insignificant price to pay for works of such incalculable usefulness. In 1877-78, under circumstances no doubt exceptional, this charge has virtually disappeared. That the policy which the Government has been pursuing in regard to the construction of productive works may, if it be wisely applied, be followed without financial risk, is further illustrated by the fact that the total charge for interest on debt of all sorts and Guaranteed Railway Capital, is in the present year less than the charge in 1870-71 by about £2,000,000.

20. Up to the year 1875-76, the efforts of the Government to reduce the Military charges had been as successful as those made to reduce the charges for the Civil Services. The net cost of the army in 1875-76 was less by £1,000,000 than it had been seven years before. Unfortunately its cost during the last two years was again increased by upwards of £1,000,000, chiefly on account of increase to the Home charges. It is satisfactory that the Estimates for the coming year 1878-79 show a reduction under this head of more than £600,000 compared with the Regular Estimate of the present year. The Government of India has been in communication with Her Majesty's Secretary of State on this important subject, and trusts that some arrangement may be found practicable which shall prevent further demands on account of the Home military charges, over which this Government has no power of control, being thrown on the Revenues of India.

21. The measures taken during the past year for increasing the powers and responsibilities of the Local Governments, the nature of which was described in the Financial Statement for 1877-78, will, it is believed, when they are complete, improve the financial position of the Government of India by an annual sum of nearly £400,000. No part of this improvement is due to fresh taxation. It is the result of the administrative changes and improvements to which the policy of decentralization has led. The original measures taken in 1870 by the Government of Lord Mayo had previously led to a saving of £330,000, and this policy, which has given increased efficiency to almost every branch of the Administration, has thus added to the Imperial Revenues a sum of about £700,000 a year, without the imposition of any fresh burdens on the people. These measures of decentralization have now been more or less completely carried out in Bengal, in the North-Western Provinces and Oudh, in the Punjab, the Central Provinces, and in Bombay, and in all cases with the complete approval of the Local Governments. The only great province in regard to which no satisfactory arrangement has hitherto been found practicable is Madras.

22. After taking credit for the gain of £400,000 just referred to, there remained to be provided a sum of £1,100,000 to complete the amount of £1,500,000 declared necessary to enable the Revenues to meet the estimated charges on account of famine. It appeared to the Government that this sum could only be provided by fresh taxation.

23. It is not necessary to repeat here the reasons which led the Government of India to the conclusion that the new taxes necessary for providing an insurance against famine should fall partly on the trading and partly on the agricultural classes. Nor is it necessary to describe again in detail the measures of taxation which have recently been passed into law. It is sufficient to refer to those measures in general terms.

24. The new taxation imposed on the trading classes has taken the form of a License Tax on trades and dealings. The Acts passed for the various provinces differ in some of their details, but in all matters of importance they are similar. In those which apply to the provinces of Northern India, the maximum fee chargeable in any case is Rs. 500. The minimum fee is Re. 1. The tax will be imposed on no person whose net earnings are less than Rs. 100 a year, and no person will be called on to pay an amount exceeding 2 per cent. on his annual income. In Bombay the maximum fee has been fixed at Rs. 200. The License Tax will be levied throughout India. It is estimated to yield to the Imperial Government about £700,000 after meeting charges of collection, and allowing a margin to Local Governments.

25. The tax on the agricultural classes has been imposed in the provinces of Northern India and Bengal alone. It has taken in each province the form of an addition to the existing Local Rates on land. It is expected to yield about £500,000 a year.

26. Similar additional rates have not been imposed in Madras or Bombay. In order to carry out the long-declared policy of the Government in regard to the equalisation of the salt duties throughout India, an increase to the Salt Tax in those presidencies became unavoidable. Although, before any thought of imposing new taxation on account of famine had arisen,

this increase had been virtually decided upon, and had therefore no connection with the new measures of famine taxation, the Government of India did not think that it would be right to impose additional direct taxation on the agricultural classes in Madras and Bombay at the same time that it was increasing the salt duties. No fresh taxation has therefore been imposed in those presidencies on the land.

27. The total amount which the new taxes on the trading and agricultural classes will yield is thus estimated at £1,200,000. The full amount, however, will not be collected in the coming year, because it will not be right to levy the additional rates on land in the North-Western Provinces, until the country has recovered from the serious loss which it suffered in the almost total failure of the last summer crops.

28. The proceeds of these taxes, together with the sum of £400,000 which will be gained by the extension of Provincial responsibility, make up a little more than the £1,500,000 which is annually required for the insurance of the country against famine. The manner in which the Government proposes actually to apply this sum was fully explained by the Hon'ble Sir John Strachey in his speech in the Legislative Council on the 9th February 1878. This explanation will be found in an Appendix* to this Resolution. By following the course which is proposed, the Government of India will virtually reduce the Public Debt by £1,500,000 a year; and resources will be stored up in years of prosperity, by means of which, when famine actually occurs, it will be possible to discharge the heavy obligations which then fall upon the State. By investing in Productive Public Works from the resources thus specially created a sum of 1½ millions yearly, instead of from borrowed money, the charge for interest which would otherwise arise will be saved, while an additional income will be created from the works, which will supply in the future a source from which to meet without increased strain on the finances a corresponding interest payment on any debt which may then be incurred to meet Famine charges.

* Appendix A.

29. When introducing the new measures of taxation, it was explained by Sir John Strachey that, in the opinion of the Government of India, it was necessary that a surplus should be shown on the Accounts of each year amounting at least to £2,000,000. Of this, £1,500,000 was for insurance against Famine; the remaining £500,000 was said to be required as the smallest sum which would enable the Government to meet contingencies, and to furnish, in combination with the natural growth of the Revenues, the means of carrying out necessary administrative and fiscal reforms.

30. To provide a portion of this surplus, new taxation was necessary. The new taxes were expected to improve the Imperial Revenues by £1,100,000 a year. The steps taken towards the equalisation of the Salt duties, to be further referred to hereafter, gave temporary relief to the extent of £300,000. The £600,000 required to make up the full amount of £2,000,000 would, it was expected, be provided partly by the new measures of decentralisation, which involved no fresh taxation, and partly by the normal increase of the General Revenues.

31. It is important to ascertain how far the estimates for the coming year, which are now published, support the anticipations made by the Government a few months ago.

32. To obtain a true conception of the present financial position, it is, first, necessary to eliminate certain disturbing causes. In this view, it must be remembered that a sum of £281,000 is shown among the receipts on account of the extinct Military Funds. This is a merely nominal credit, and it must be deducted in estimating the real amount of our Revenues. It must further be remembered that the Accounts of the past, of the present, and of the coming year are all much disturbed by the effects of the Famine. It is from this cause that in the coming year 1878-79, £671,000 is expected to be received on account of the arrears of the land-revenue of past years. Hence, if we look only to the normal facts of the Revenue, allowance must be made for these distrubing causes, and the estimated receipts for 1878-79 must be reduced by the aggregate of these two amounts, namely, £952,000.

33. If after making these allowances, no fiscal changes were now made; if all existing taxes were to remain unaltered; and no provision had to be made for the relief of famine for which £555,000 has actually been granted, the surplus of £2,156,000 as shown in the Estimates of the ensuing year would be reduced to £1,991,000. Hence after providing for the estimated Famine Expenditure of £555,000, and allowing £945,000 as expenditure for Famine Insurance, making together the 1½ millions required, there would still be left a margin of £491,000. Thus there appears to be a deficiency of only £9,000 to be provided, if the ultimate surplus of £500,000 is to be made good from the normal revenues of the year. As regards the Ways and Means of the coming year, the additional exceptional receipts of arrears of Land Revenue, amounting to £671,000, will far more than make good this small deficiency.

34. Thus the Government trusts that it will be able in the ensuing year to fulfil satisfactorily the engagements which it has undertaken and the pledges which it has given. It will be able to provide from its ordinary revenues a sum of £555,000 for the relief of famine, and to devote at least £1,000,000 towards Famine Insurance, thus the pledge that £1,500,000 shall be set aside from the ordinary Revenues for the relief and prevention of famine, will be fulfilled. It will indeed be more than fulfilled, for the actual pledge given was not that this amount should always be provided in the Estimates of the year, but that it should always be shown to have been applied when the actual accounts of the year were closed.

35. After thus assigning from the Revenues of the coming year £1,500,000 on account of famine, there will still be at the disposal of the Government an available surplus of £656,000 for meeting those contingencies, and carrying out those fiscal and other reforms to which reference has been made.

36. Although it is thus confidently expected that the new taxation will enable the Government to fulfil, in the coming year, its pledge to devote £1,500,000 to the relief and prevention of Famine, it is clear that the financial position is not such as to justify at the present time new measures which would involve considerable reductions in any great branch of the existing revenue. It is true that all those branches of revenues are prosperous, but there are several causes which render caution obligatory on the part of the Government.

37. The extreme pressure of the famine has passed away, but relief operations still continue in a large tract of Southern India, and much suffering still exists among the poorer classes in the North-Western Provinces and Oudh. Thus the prospects of the future are not free from anxiety. The state of political affairs in Europe cannot wisely be ignored. Further, although the position of the silver market seems far more hopeful than it was, it is impossible to contemplate without some anxiety an operation of such unexampled magnitude as the remittance from India to England in the ensuing year of £17,000,000.

38. With every desire to press on the accomplishment of the fiscal reforms which it has bound itself to undertake, or which have been prescribed for its adoption by Parliament and the Secretary of State, the Government of India feels that it cannot, with due regard to the condition of the finances, do very much at the present time. It would be in opposition to the pledges given by the Government, and to the instructions of the Secretary of State, to undertake any such measures of reform if they would involve fresh taxation, and this prohibition must be applied to the future as well as to the present. No risk therefore must now be incurred of doing that which might render it necessary hereafter to impose fresh burdens.

39. There are two great measures to which the Government is pledged: the first is the equalization of the salt duties, the abolition of the Inland Customs line, and, with it, of the inland duties on sugar; the second is the improvement of the Customs tariff and the removal of the import duties on cotton manufactures.

40. Towards the accomplishment of the first of these measures great steps have been taken during the present year. Throughout the Presidencies of Madras and Bombay, including Sindh, the duty on salt, whether foreign salt imported by sea or home manufactured salt, has been raised to Rs. 2-8 per maund. At the same time the mileage duty which was levied on salt

brought by Railway from Bombay into the Central Provinces, has been abolished, so that the duty of Rs. 2-8 per maund is the rate for those Provinces also, since they derive their supply of salt from Bombay and Madras. The duties in Lower Bengal, both import and excise, have been reduced to Rs. 3-2 per maund, and the duty on salt imported across the Inland Customs Line for consumption in the Upper Provinces, as well as the excise duty on salt manufactured in those Provinces, has been reduced to Rs. 2-12 per maund. At the same time the price of Punjab mines salt, the property of Government, has been diminished by 4 annas per maund. More recently, that is on the 1st of this month, the price of Sambhar salt, purchased for importation into British Territory, has been reduced by 2 annas a maund, but a great part of this reduction has been counteracted by the simultaneous raising of the Railway freight on this salt, when brought to Agra, by 1½ anna per maund. The freight had been kept abnormally low under an arrangement by which the Inland Customs Department made up to the Railway any deficiency from a fixed standard of profit. This arrangement, which was inconvenient and anomalous, has now ceased.

41. The object of these measures has been recently fully explained. That object is not to increase the burden of the salt taxes on the people of India or to derive therefrom a larger revenue, but to make as large a step as the finances will permit toward the equalisation of those duties, a condition of taxation desirable in itself and an essential preliminary to the abolition of that great opprobrium to British administration, the Inland Customs Line. The Government of India regrets, that on a general review of its position no further steps in this direction can at the present moment be taken, but it confidently hopes that the time is not distant when this great reform, the object of which is to give the people of India "the means of obtaining, with the least possible inconvenience, and at the cheapest rate consistent with financial necessities, a supply of salt only limited by the people's capacity for consumption, will be completely carried out."

42. After making due allowance for these changes and for the normal development of the salt revenue, as well as other circumstances affecting it, the Budget Estimate of 1878-79 shews a net increase of £247,000 over the Regular Estimate of 1877-78.

43. In Sir John Strachey's Financial Statement made a year ago, he referred to the duties levied on sugar exported across the Inland Customs Line in the following terms:—

"These are one rupee per maund on refined sugar, and six annas per maund on unrefined sugar, or saccharine produce. Except where the line runs along the left bank of the Indus, exports across it are taken to Native States; but, when it passes the Indus, the sugar is nearly taken from one part of British territory to another. This sugar is all the produce of our own people in the North-Western Provinces, Oudh, and the Punjab: it is one of the most important agricultural staples of those provinces; and it is important not only to the agriculturists and manufacturers and consumers, but directly to the Government, which looks greatly to sugar cultivation for its irrigation revenue.

"While we are taxing heavily our own sugar grown on the east of the Customs Line, for the supply of the country beyond it, we admit into the same country the Mauritius sugar, which is imported largely to Bombay, taxed at a much lower rate. It is calculated that the Inland Customs duty is equivalent to 10 per cent. on the value; but the incidence of the duty varies considerably, particularly on refined sugar: on the cheaper kinds the duty is equivalent to more than 20 per cent. on its value: the sea import duty on Mauritius sugar is 5 per cent. *ad valorem*. I do not assert that there is, at present, any great competition between the sugar of the Upper Provinces of this Presidency and foreign sugar; but, so far as competition exists, the Inland Customs duty acts as a protective duty in favor of foreign and against our own sugar: to this extent, the duty must fall on the producer within the Customs Line. The competition will be more apparent and severe when the connection of the Rajputana State Railway with the Bombay and Baroda Line is completed.

"Little or no sugar is grown in Rajputana or Central India; and the increase of price caused by the Inland Customs Line must tend to diminish consumption, and so, still further, to injure the producer. It is impossible to estimate the injury to the people and the Government caused by placing artificial obstructions on the export of one of the great agricultural staples of the country. Such obstructions obviously affect not only the export but the import trade as well. The Government of India has repeatedly urged upon Native States the policy of abolishing their transit duties, but it is difficult to see with what consistency we

can do this, so long as we retain our sugar duties. They yield about £165,000 a year: this is my only excuse for not proposing their instant abolition: they will, at any rate, disappear with the abolition of the Inland Customs Line."

44. The negotiations relating to salt, with the Native States of Rajputana and Central India, which have for their object the abolition of the Customs Line, are rapidly approaching successful completion. The maintenance of the sugar duties after the arrangements connected with salt in the Native States are put into effect, will not be consistent with the engagements made with those States, and after the Customs Line, along which they are levied, has been removed their retention will be impossible. The Government of India will therefore be compelled under any circumstances to relinquish these duties very shortly, and as no practical financial advantage would be obtained by postponing the measure for a few months, it has been decided that the duties shall be at once abolished. The country will thus be relieved of these sugar duties, which have been more than once characterized as "the most discreditable relic of the dark ages of taxation that exists in India."

45. It is estimated that these Inland sugar duties would have produced in the coming year £155,000. They appear under the head of "Customs" and their abolition has led to a corresponding reduction.

46. The second of the measures of fiscal reform before mentioned, the improvement of the Customs Tariff, next calls for notice.

47. Her Majesty's Secretary of State has called the attention of the Government of India to the Customs Tariff generally, and to the duties levied on cotton goods in particular, in several despatches received during the past year.

First, in a despatch, No. 81, dated the 7th June 1877,* His Lordship pointed out that there were numerous articles in the Tariff on which the duty levied was quite insignificant, and he requested that at a convenient time the propriety of excluding from the Tariff items that will not be productive of revenue might be considered.

* Appendix B.

Next, a despatch, No. 124, dated the 23rd August 1877,† forwarded a copy of a memorial from the Council of the East India Association, and a reply thereto by Mr. Raynsford Jackson on behalf of the Associated Committees of Employers and Workmen in the cotton manufacturing districts, respecting the abolition of the duties on the importation of cotton goods and yarns into India. Lord Salisbury observed with reference to these papers:—

† Appendix C.

"Your Excellency is well aware of the great importance attached by Her Majesty's Government to the gradual reduction of these duties at the earliest period that is not inconsistent with the financial requirements of your administration."

Finally, the Secretary of State transmitted with his despatch No. 136, dated the 30th August 1877,‡ a Resolution which was adopted by the House of Commons on the 11th July 1877 without a division in the following terms:—

‡ Appendix D.

"That, in the opinion of this House, the duties now levied upon cotton manufactures imported into India, being protective in their nature, are contrary to sound commercial policy, and ought to be repealed without delay so soon as the financial condition of India will permit."

His Lordship expressed his concurrence with the views of this Government, as reported in the speeches of His Excellency the Viceroy and of Sir John Strachey in the Proceedings of the Legislative Council on the occasion of the Budget Statement in March last.

The despatch concluded in the following words:—

"I can only, in conclusion, express my hope that the financial prospects of your Government in the approaching year may not preclude the possibility of commencing the reform of this branch of the Indian Tariff, but if, as now seems too probable, it shall unfortunately be such as to render you unable to incur the risk of any material loss of revenue from remission of duties, there are still two measures in connexion with this reform which should not, in my opinion, be delayed beyond the present year. I mean the repeal of the duty of 5 per cent. on foreign raw cotton imported into India, and the exemption from import duty of the lower qualities of cotton manufactures, upon which the present tax is incontestibly protective, not only in principle but in fact, and the value of which for revenue purposes is wholly insignificant."

48. The questions thus brought before the Government of India by Her Majesty's Secretary of State have received careful consideration. It is evident that, in the present state of the finances of India, any large measure of reduction of the Customs duties would be not only impossible, but would not be in accordance with the views of the House of Commons or of Her Majesty's Secretary of State. The Government of India is, however, of opinion that there is no reason for delaying compliance with the instructions of the Secretary of State, that something should be done towards removing from the Tariff the coarser qualities of cotton goods which are subject to competition from the Indian mills and looms and some other articles which are productive of but a small amount of revenue.

49. Although as just stated it is not at present possible to sacrifice any important part of our existing revenue, for the purposes of reforming the commercial taxation of India, the Government deems it right to place on record the principles on which its action is at the present time guided, and by which it desires to be guided in the future.

50. It is not necessary now to discuss the advantages to a country of free trade, and the disadvantages of protective duties. It is sufficient to say that these have been admitted for many years by the Statesmen who, of whatever party, have guided the policy of the United Kingdom. In pursuance of the principles thus accepted, the Tariff of the United Kingdom, which, less than thirty years ago, subjected to duty more than one thousand different articles, has been brought down by various stages to some half dozen, of which the only important ones are wine and spirits, tea and tobacco. At the same time all export duties have been abolished.

51. The principles on which the Customs legislation of the United Kingdom has been based are now admitted axioms by all who recognise the theoretic advantages of free trade. They must be regarded as a part of the national policy which Great Britain has finally adopted, and which the Secretary of State for India, with the deliberate approval of the House of Commons, has required the Government of India in this country to carry out.

These principles are, as regards imports;—

(1) that no duty should exist which affords protection to native industry, and, as a corollary, that no duty should be applied to any article which can be produced at home, without an equivalent duty of excise on the home production, also, that no duty should be levied except for purely fiscal purposes;

(2) that, as far as possible, the raw materials of industry and articles contributing to production should be exempt from customs taxation;

(3) that duties should be applied only to articles which yield a revenue of sufficient importance to justify the interference with trade involved by the machinery of collection.

As regards exports;—that duties should be levied on those commodities only in which the exporting country has practically a monopoly of production.

52. These principles are of general application, but in the case of India, they possess a peculiar significance. India is a country of unbounded material resources, but her people are a poor people. Its characteristics are great power of production, but almost total absence of accumulated capital. On this account alone the prosperity of the country essentially depends on its being able to secure a large and favourable outlet for its surplus produce. But there is a special feature in the economic conditions of India which renders this a matter of yet more pressing, and even of vital importance,—this is the fact that her connection with England and the financial results of that connection, compel her to send to Europe every year about 20 millions sterling worth of her products without receiving in return any direct commercial equivalent. It is this excess of exports over imports which, in the language of the economists, is described as tribute. It is, really, the return for the foreign capital, in its broadest sense, which is invested in India, including under capital not only money, but all advantages which have to be paid for, such as the intelligence, strength, and energy, on which good administration and commercial prosperity depend. From these causes the trade of India is in an abnormal position, preventing her receiving, in the shape of imported merchandise and treasure, the full commercial benefit which otherwise would spring from her vast material resources.

53. The comparatively undeveloped condition of the trade of India may be illustrated by the following figures. The value of the imports and exports

taken together per head of the population is in the United Kingdom about £20. In British India it is about 10 shillings. The Custom revenue on the few articles now retained in the Import Tariff of the United Kingdom is about 12 shillings per head, while that of India, on all the articles of its lengthy Tariff, is about 3 pence, showing that small as is the proportion of the foreign trade of India to that of England, the proportion of customs revenue derived from it is smaller still.

54. Here then is a country which, both from its poverty, the primitive and monotonous condition of its industrial life, and the peculiar character of its political condition, seems to require from its Government, before all things, the most economical treatment of its resources, and, therefore, the greatest possible freedom in its foreign exchanges.

Under these circumstances, what are the conditions of production and consumption in India? How far is it possible to construct a Tariff of import and export duties, which will comply with the accepted canons of taxation? And how far does the existing Tariff conform to those canons?

55. In answering these questions, it will be found that India, by the extent and favourable conditions of its territory, is capable of producing almost every article required for the use of man. If, therefore, the Import Customs Tariff be maintained, it will involve the evils of protection, unless an excise duty to countervail the customs duty be imposed upon almost every item which the tariff now includes. Now, as excise duties are generally costly, vexatious, and inconvenient forms of taxation, and would be in most cases impracticable in India, this of itself is a reason against the permanent retention of the existing Customs Tariff, and one which interposes a very serious difficulty in the way of constructing one that shall be free from objection. Since almost every article that is now on the Tariff, or that could be named, is either produced or is capable of being produced in India, it follows that import duties must in every case be actually or potentially protective, while, with the exception of liquors and salt, none of them are subject to an excise.

Again, the people of India are too poor to consume many luxuries. The import trade merely consists of what may be considered either the materials of industry or the necessaries of life. It will accordingly be found that nearly all the heads of customs revenue which are of any importance are derived from one or other of these descriptions of commodities, and that the revenue derived from other articles is so insignificant as neither to justify the machinery of collection nor the interference with the trade.

56. The total amount of import duties was, in 1876-77, £4,170,947, or, deducting erroneous collections, refunds, and drawbacks on re-exportation, £4,098,296; of this latter sum there was realised—

	£
From Salt	2,491,010
From Liquors	331,761
Total	2,822,771

On these articles there is an internal excise duty countervailing the customs duty.

Deducting the duty on these two articles, there remains £1,275,525. Deducting again from this the revenue realised from cotton goods, or £811,340, there remains £464,185, which is thus distributed:—

	£	£
Copper	65,624	
Iron	17,096	 112,740
Other metals	30,020	
Silk, raw and manufactured		43,727
Woollen manufactures		38,068
Provisions		32,901
Apparel		25,658
Hardware and cutlery		21,049
Spices		18,724
Sugar		13,886
Glass		13,244
Railway materials		11,335
Articles, each group of which gave less than £10,000		132,853
Total		464,185

Many of the numerous articles in the last class yield each an insignificant revenue, and nearly the whole are, or can be, produced in India. The duties on them are thus indefensible in principle, and cannot consistently be maintained longer than financial exigencies require their retention.

57. To revert to the cotton duties, regarding which the Resolution of the House of Commons has declared that, being contrary to sound commercial principles, they ought to be abolished, the Government of India has been at some pains to ascertain how such of them as are now actually protective can be defined. The real test is the quality or fineness of the yarn of which the goods consist. At present the Indian manufacture is confined to the coarser yarns and goods made of such yarns, and it is evident that the 5 per cent. import duty does protect such yarns and goods against competition from without. It is difficult to determine exactly how far it is effective. The coarser Indian yarns and piece-goods may, by their comparative cheapness, displace, as indeed it is asserted that they have displaced, finer imported goods in the Indian market. So far as this happens, the duties are destructive of the Customs revenue. However this may be, it is generally admitted, and the Customs returns, so far as they supply information, show, that there are certain descriptions of goods regarding which it can safely be asserted that they are of the kinds with which the Indian manufactures can compete successfully. These are unbleached T cloths under 18 reed, jeans, domestics, sheetings, and drills. The duty paid by these descriptions of piece-goods in 1876-77 was only £22,227, of which probably some portion was given back in the shape of drawbacks and refunds, as there is a considerable re-export of grey piece-goods from India. The total value of such goods re-exported in 1876-77 was £302,234. They are taken chiefly to Persia, Arabia, and the east coast of Africa. The total refunds and drawbacks in 1867-68 amounted to £12,563. It is not known how much of this was on account of the coarser goods specified above.

58. The Government of India has determined to commence by exempting these descriptions with the further condition that the goods so exempted shall not contain finer yarn than what is known as 30s, that is, yarn of which 30 hanks of 840 yards each weigh one pound. The loss of duty, calculated on the figures of 1876-77, cannot exceed £22,227, and, for the reasons above stated, will probably be less. For yarns themselves, the limit selected for exemption is for mule twist 32s and for water twist 20s. The former yielded in 1876-77 £3,400, and the latter £39, *minus* any refunds and drawbacks that may have been granted. The duty on long-stapled raw cotton yielded £15, and it is quite unnecessary to maintain this duty. The maximum remission of duty proposed under these heads, calculated on the figures of 1876-77, amounts to £25,681.

59. It has been urged in some quarters that instead of taking the duties off imported cotton goods or so long as they are retained, it would be right to excise the Indian manufactures. Regarding this proposal, it may be said, first, that it would be impossible to excise the product of all the hand-looms and spinning apparatus in India, and that to confine the excise duty to the large mills and looms worked by European machinery would be not only an unjust and incomplete measure, but would place an obstruction on a most legitimate and desirable development of the industry of India; secondly, that it would be impossible to tax the manufactures produced in India in Native States outside of British territory without maintaining the present Inland Customs lines, which the Government of India are strenuously endeavouring to abolish, and without establishing many more similar lines; and thirdly, that the imposition of an excise duty is inconsistent with the declared future policy of the Government of India, and of Her Majesty's Government, namely, eventually to abolish all import duties on cotton manufactures. The Government of India has, therefore, no hesitation in rejecting the proposal in question. Orders giving effect to the decisions will be found in the Notification issued with this Resolution.

60. Another class of articles is also clearly marked out for exemption. These are materials for railways. Under any circumstances, it must be a short-sighted fiscal policy to add artificially to the cost of railways, on which the development of the wealth of India is so greatly dependent; but when it is considered that, under the guarantee system, the Government of India has to

pay five per cent. on the customs duties which it imposes on railway plant not imported by itself, the inexpediency and inconsistency of retaining these duties is beyond question. Locomotives and other machinery for railways, as well as wooden sleepers, have already been freed from duty. On the rest £11,335 net duty was realised in 1876-77, and the Government of India has determined to free this head of the Tariff from duty.

61. It has also decided to relieve the Tariff of 26 other major heads, comprising a larger number of sub-heads and innumerable articles, the details of which will be found in the Notification published with this Resolution. The whole of these Tariff heads produced in 1876-77 £39,610. The most important is the head "Fruits and Vegetables," being chiefly cocoanuts, dates, and the like—articles of food of the poorer classes. These yielded a revenue of £6,126.

62. With respect to the Export Tariff, the only duties now remaining are those on rice, indigo, and shell and button lac. Although India cannot be said to possess a complete monopoly of these articles, still this condition is nearly enough complied with to justify their present retention on the Tariff. As soon as the finances will permit of it, the question of the retention of these duties may be reconsidered. They yielded in 1876-77 the following amounts:—

	£
Rice	529,739
Indigo	41,132
Lac of all sorts	33,952

63. There will now remain out of the 62 tariff numbers of Schedule A of the Indian Tariff Act, 1875, only 35 numbers, and this important reduction including the remissions of duties on the cotton goods and minor articles is effected with a loss of about £77,000.

64. Thus, these measures, designed to be the first steps towards giving effect to the policy that has been enjoined on the Government of India by Parliament and the Secretary of State, strictly comply with the conditions under which that policy was to be carried out. The estimate of the Customs revenue of 1878-79 is, after allowing for all the proposed remissions, taken at £2,480,000 or £150,000 less than the regular estimate of 1877-78. This decrease is less than what will be given up by the relief of sugar from Inland Customs duty, so that the sea customs duty remitted has no part in this decrease. The amount of sea customs duties in the coming year is smaller than in the earlier years of the series given below, by reason of the reductions made in the tariff in the year 1875 by the Government of Lord Northbrook:—

	£
1872-73, Actuals	2,654,000
1873-74 „	2,628,000
1874-75 „	2,678,000
1875-76 „	2,721,000
1876-77 „	2,483,000
1877-78, Regular Estimate	2,630,000
1878-79, Budget „	2,480,000

The Government of India, in pursuing for the future the policy that has guided it in making these remissions, will always give full consideration to the general financial position of the country and will recognise the obligation laid upon it not to attempt to hasten this important fiscal reform by additional taxation. It confidently expects that the normal growth of the revenues will place at its disposal the necessary means.

65. After the explanation that has now been given of the actual financial measures taken by the Government in the past year, and those now to be adopted, it is further necessary to refer to the plans by which the Governor General in Council hopes to give effect to the policy of enlarging the responsibilities of the Local Governments, and through them to accomplish the task

that devolves upon it, of providing as far as practicable for the protection of the country from the effects of Famine.

66. The keystone of the whole financial policy of the present Government is the enforcement to the utmost of the responsibility of every great Province of the Empire for meeting its own local wants. It has given to the Local Governments largely increased powers; it declares that they, alone, are competent to deal wisely with the details of administration; that they have advantages which the Government of India cannot possess, of seeing what their own provinces require; and that it is only by acting on these principles that the Supreme Government can obtain either good Provincial administration, or exercise that intelligent power of control which is essential to the prosperity of the Empire. A sound financial system and financial safety can only be secured by efficient administration in every great department of the State. It is by the application of these principles that the Government of India hopes to discharge the greatest of the responsibilities which now rests upon it—that of protecting the people against the terrible calamity of periodical famines.

67. During the year 1877-78 the scheme of making Provincial Governments responsible for provincial finances has been much developed, and the Government of India has received interesting reports upon the working of the scheme. Every Local Government that has expressed any opinion has reported favourably upon the result of the provincialization arrangements begun by the late Lord Mayo in 1870. It happens that during the past year nearly all of the larger provinces, except Bengal, have been more or less afflicted by drought. The first financial effect of drought and of famine relief outlay is to reduce the provincial balances and to cause large provincial expenditure. Under the pressure of famine exigencies, therefore, the provincial finance system has been more or less strained in almost every province except Bengal. From that province most favourable accounts of the results of the system have been received. The Local Government of Bengal is now financially responsible for all civil expenditure of every kind within Bengal, except only the Opium Department operations; it has full authority over, and the benefit of, all branches of the public revenue except only land revenue, salt and opium; and it provides locally for any loss that may occur on Productive Public Works such as canals and railways. The Guaranteed Railways in Bengal earn considerably more than the full guaranteed interest. And so the Imperial Treasury is relieved from all burdens on account of future increases in the cost of the civil administration, or the material improvement of Bengal, while it reserves to itself the right to a share in future increments of the provincial revenues entrusted to the Local Government. From the imperial point of view the scheme of financial provincialization is thus eminently advantageous.

68. The Hon'ble the Lieutenant-Governor's report of December last shows that from the Local Government's point of view also the scheme is not less beneficial. That report, of which a copy will be found in Appendix E to this Statement, shows that the revenues made over to Bengal increased 17 per cent. during the first half of the year 1877-78, and that, to use the Lieutenant-Governor's words, "in the majority of headings the expenditure, so far from showing any tendency to grow, is actually somewhat less than during the corresponding period of last year." Some of the increases of revenue are abnormal, and may not recur. But the general result appears to be fairly summed up in the concluding paragraph of the Lieutenant-Governor's report, which runs as follows:—

"The Lieutenant-Governor has found that the general effect of the extension of the decentralization system in respect to the facilities which it has given to provincial administration has been even more satisfactory than he anticipated. In making the Local Government responsible for expenditure, and giving them a direct interest in the development of various branches of the revenue, it has secured a careful scrutiny over the expenditure of all departments, and a deep interest in all improveable heads of revenue, which has extended to all grades of the services. District officers understand that the Provincial Government can sanction no new schemes and few new works unless it has a constantly improving revenue, and they have shewn an earnest desire to assist the Government by the adoption of every measure which their local experience suggests as likely to have a beneficial effect upon the revenues. At the same time the Local Government has, since the inauguration of the system of provincial finance in 1870-71, been in a position to carry out many works and many measures of improvement on

its own responsibility, which would, under the old system, have possibly been delayed for an indefinite period. All friction with the Imperial Government has been obviated, and much useless and unsatisfactory correspondence avoided."

69. Though the failure of the autumn crop has caused a severe strain on the provincial finances of the North-Western Provinces, where the localization of the financial responsibility has been introduced as completely as in Bengal, still it is worthy of note that, even in a year of drought and partial famine, the Imperial Treasury has in those provinces benefitted greatly from the provincialization system. The Local Government has already spent nine lakhs of rupees on relief works and in charitable relief, and it expects to spend five lakhs more before the rainy season begins. Under the old system this money would have come out of the Imperial Treasury, but the whole sum has this year been found by the Provincial Government; it has come from the provincial balances and from savings made in previous years. Not only has the Imperial Treasury been benefitted, but the Local Government and its officers have had the strongest possible interest in spending their money with careful economy and on permanently useful works; and it is certain that the North-Western Provinces' relief expenditure of 1877-78 will bequeath to the country a considerable legacy of useful canals, railway works and roads.

70. Although there is hardly any branch of the public administration, improvement in which will not help the Government to fulfil the great task which it has undertaken, it is obvious that the principal means by which the end in view will be attained is the construction of works for increasing the productiveness of the country, and improving its communications. Of all things, therefore, the most essential at the present time is this, that the best and most economical arrangements possible should be made with the least practicable delay, yet with no unwise precipitance, in covering the country with that net-work of railways, and with those works of irrigation, which the country requires.

71. The development that has been recently given to the financial responsibilities of the Local Governments, and the transfer to some of them of the entire charge arising from the larger reproductive public works constructed within their territories, having been approved by Her Majesty's Government, and otherwise being found by experience to be conducive to improved administration and public economy, the Government of India has adopted the conclusion that it should be made generally applicable as soon as circumstances permit, and the needful preliminary arrangements have been completed with the several Local Governments and Administrations.

72. This resolution renders it necessary to review the rules under which funds are supplied for the prosecution of such works, the sanction of expenditure takes place, and the general system of management, financial and administrative, is conducted; and the urgency for this is the greater now that the Government of India has declared its intention of applying the funds at its disposal, for providing protection against famine, to works to be carried out through the agency of the Local Governments.

73. Her Majesty's Government have also recently directed that certain modifications should be made in the method of recording the financial results of all such works, with a view to presenting them to Parliament in a form likely to be more readily understood, and the present time may conveniently be taken for consolidating and revising the rules that have hitherto been in force in relation to this class of works.

74. The policy which has hitherto guided the Government of India in its action has been based on the assumption, which experience has shown to be a sound one, that the gradual improvement of the income derived from the larger reproductive works, including under this head the guaranteed railways, would admit of a certain yearly additional expenditure of borrowed money for extending such undertakings without bringing on the revenues any consequent larger net charge, when the increased income had been set off against the increased interest on the borrowed capital. It was on this principle that Lord Lawrence in 1869, in his minute on railway extension, advocated the gradual but systematic construction of railways, and on it the Government has since been acting with most satisfactory results. By regulating its operations within

these prudent limits, the Government has been able to apply a sum of not less than 25¾ millions to reproductive works during the last eight years, without thereby adding to the total charge of interest on account of the public debt, including under that name the guaranteed railway capital.

75. It is the intention of the Governor General in Council to follow the same general course in the future, subject to such modifications of detail as will be required by the somewhat changed system that will henceforth be adopted on making use of the agency of the Local Governments in carrying out the works. Heretofore the aggregate interest charge on the capital invested in the works had to be met from the general revenues, under the condition that the net burden should not exceed a certain sum which experience had shown could be borne without inconvenience; so in future, a similar liability will be held to attach to the provincial outlay of capital applied to these objects, otherwise than from the revenues of year. The provincial revenues will be made to bear the net charge for all interest on such capital, after deducting the net receipts from the works; and the net burden of interest thus thrown on the provincial resources year by year will not be allowed to exceed the sum which in each case experience shows that they can bear without inconvenience or undue interference with other administrative demands.

76. It will manifestly be a necessary condition of success in carrying out such a policy that the works undertaken shall in fact produce the growing income from which to meet the gradual increase of interest charge, and it therefore becomes essential to examine very strictly the character of all projects brought forward for execution, so that borrowed capital shall not, under any circumstances, be supplied for any work of which it cannot reasonably be anticipated that it will in a definite period of time produce a net income at least as great as the interest on the capital outlay upon it.

77. Further, the same limitation that it is thus necessary to apply to the grant of borrowed money to these works, must also be applied to the grant of all funds the expenditure of which does not appear as a direct charge against the revenues of the year, under which will be included the new resources lately specially created to provide a surplus from which to meet charges on account of the relief or prevention of famine.

78. The sum that is likely to be available for capital outlay on works of this class from the ordinary revenues would, under any circumstances, be small, and the inconvenience of distinguishing in the accounts between outlay from ordinary revenue, and that met from other sources, would be great. The justification for granting, for productive works, funds from the surplus revenues which might otherwise be applied to the extinction of debt, is, that so far as it prevents an increase of debt, it will virtually be equivalent to a corresponding discharge of debt; a condition however that cannot be fulfilled unless the works are properly remunerative. In all cases then the interest on the whole capital, from whatever sources it is obtained, must be secured generally by the provincial revenues, and specially in each case by the ascertained profitable character of the work, so far as a careful examination can serve to test it.

79. It will be seen that the general policy thus explained necessarily starts with the acceptance, for a limited period, of a dead weight of interest charge during the time when the income of the works is not fully developed. This charge may properly be met from the provincial revenues at the disposal of the Local Governments for carrying out works of internal improvement; and Her Majesty's Government has recognized the propriety of thus applying the local resources, subject to the general obligation that rests on Local Governments to see that the essential wants of the provinces under their administration are provided for in the manner that shall on the whole be most conducive to their well-being.

80. The reasons that support this view will likewise justify the Government of India in accepting, in proof of the financial sufficiency of the estimated income of any proposed work, during what may be termed the unremunerative period of its operation, a calculation which should include any well established saving of outlay that would follow upon the execution of the work,

such as the reduction of the cost of maintenance of a road which would be diminished in consequence of the opening of a line of railway.

81. So also in the case of any work undertaken avowedly with the intention of its being wholly or in part paid for by any special rate or cess imposed, outside of all general rates or taxes, on those likely to benefit by the work, the proceeds of any such special rate would be properly included with any ordinary receipts due to specific payments for the actual use of the work as income in the estimate of financial return.

82. In these cases, and possibly in others, special considerations will present themselves, on which the Government of India will have to form a judgment as they arise, but the general principles that have now been laid down will indicate the spirit in which any such proposals will hereafter be dealt with.

83. Within the limits thus marked out, the Government of India will endeavour to meet the reasonable requirements of the Local Governments for funds, in addition to those available for expenditure from the ordinary revenues, to carry out works of material improvement, especially such as will have for their more immediate effect the protection of the country against the effects of famine, whether by supplying improved means of communication, or of irrigation, or otherwise. The power of the Government of India to do this, however, will be necessarily restricted by the amount that it can spare from the surplus revenues, or raise by loan without unduly forcing the money market, or coming under inconvenient liabilities. Neither can it consistently with the instructions of Her Majesty's Government enlarge the borrowed grants beyond the sums that can be raised in India.

84. It will be the wish of the Governor General in Council to comply as far as possible with the wishes of the Local Governments in carrying out the policy thus explained, subject of course to any instructions of a general or special character that may be given by the Secretary of State, or that may be found otherwise necessary to secure financial regularity or administrative convenience.

85. Under orders of the Secretary of State, works of the class now under consideration will henceforth be designated as Productive Public Works, and the expressions Extraordinary Works and Grants will cease to be employed. The whole of the rules now in force as to the preparation of designs and estimates, and the sanction of works hitherto called Extraordinary, and as to the grants of funds to carry out such works and the manner of rendering the accounts, will however continue to be applicable to all Productive Public Works already constructed or hereafter undertaken.

86. As a rule, all Productive Works, which will for the most part consist of Works of Irrigation or Navigation and Railways (exeluding however the Guaranteed Railways, which will continue to be managed as heretofore), within the territories of the several Local Governments and Administrations, will be carried out under their direct orders and financial management, subject only to a general control by the Government of India, and in the manner described in the detailed rules that will be issued hereafter. The earliest possible effect will be given to this arrangement.

87. His Excellency the Viceroy, when addressing the Legislative Council on the introduction of the new measures of taxation, thus stated the intentions of the Government in relation to the execution of Protective Public Works :—

"For the attainment of this object, the material appliances we intend to promote, by means of additional revenue, are cheap railroads and extended irrigation works. We are conscious of the reproach we should justly incur if, after such a declaration as I have now made, the prosecution of these necessary works were commenced, suspended, or relinquished, according to the increased or relaxed pressure of annual circumstance, or the intermittent activity of spasmodic effort. We, therefore, propose to entrust, in the first instance, to the Local Governments the duty of framing a sufficient and carefully considered scheme of local railroad and irrigation works. We are prepared to provide them with the means whereby they may from year to year work systematically forwards and upwards to the completion of such a scheme. The funds locally raised for this purpose will be locally applied. But Provincial Governments will have to meet the cost of provincial famines out of provincial funds to the fullest extent those funds can bear. They will find that thriftless expenditure in one year may involve the risk of diminished allotments in subsequent years; and I cannot

doubt that the unavoidable recognition of this fact will make them wisely eager to spend the requisite proportion of their annual income upon well-planned and carefully estimated railway and irrigation works which will be their best insurance against the losses of famine, and the postponement of all administrative progress which famine generally entails. It will be the special duty of the Public Works Department of this Government to keep those objects constantly in view of the Local Governments, and to assist them, no less constantly, in their endeavours to give a rational preference to really useful and remunerative works, over those more captivating, but less compensating, subjects of expenditure which, in all comparatively small communities, so powerfully appeal to provincial pride, professional proclivities, or popular pleasure."

88. In amplification of these views, His Excellency has subsequently recorded a Minute, in which are laid down the principles that will henceforth guide the Financial and Public Works Departments in dealing with projects for Public Works designed to improve the internal communications of the country or to increase the means of irrigation, by which works protection from the consequences of famine can best be secured. The Minute of His Excellency is appended to this Resolution (Appendix F).

ORDERED, that this Resolution, with the annexed Statement and Appendices A to G, be published in a *Gazette of India Extraordinary*, and that copy thereof be forwarded to Her Majesty's Secretary of State for India; and also for information and guidance

to each Department of the Government of India;

to each Local Government and Administration;

to the Comptroller General; and to each Accountant General and Deputy Accountant General in independent charge.

By order of His Excellency the Viceroy and Governor General in Council,

FORT WILLIAM;
FINANCIAL DEPARTMENT,
March 18th, 1878.

R. B. CHAPMAN,
Secretary to the Government of India.

Annexures to this Resolution.

1. Statement in explanation of the Estimates with eight Abstracts of the Estimates.
2. *Appendix A.*—Extract from speech by the Hon'ble Sir John Strachey in the Legislative Council on the 9th February 1878.
3. *Appendix B.*—Despatch from Secretary of State, No. 81, dated 7th June 1877.
4. *Appendix C.*—Despatch from the Secretary of State, No. 124, dated 23rd August 1877.
5. *Appendix D.*—Despatch from the Secretary of State, No. 136, dated 30th August 1877.
6. *Appendix E.*—Report by the Government of Bengal on its Provincial Finances, No. 4192, dated 14th December 1877.
7. *Appendix F.*—Minute by His Excellency the Viceroy, dated 12th March 1878.
8. *Appendix G.*—Financial and Commercial Statistics.

STATEMENT IN EXPLANATION OF THE ACCOUNTS OF BRITISH INDIA FOR THE YEAR 1876-77, THE LATEST ESTIMATES FOR THE YEAR 1877-78, AND THE FIRST ESTIMATES FOR THE YEAR 1878-79.

Preliminary.

THE Accounts of the Public Revenue and Expenditure and Receipts and Disbursements of British India, in 1876-77, are herewith presented, together with the Regular Estimates based upon the latest information in the possession of the Government, of the Revenue and Expenditure and Receipts and Disbursements of the current year 1877-78, and the Budget Estimates of the Revenue and Expenditure and Receipts and Disbursements of 1878-79.

FORMS OF THE ACCOUNTS AND ESTIMATES.

FORMS OF THE ACCOUNTS.

For reasons given by the Hon'ble Sir John Strachey in the Financial Statement dated 15th March 1877, the Abstracts then published were compiled in rupees. In accordance with instructions received from Her Majesty's Secretary of State for India, some important changes have been introduced into the forms now adopted, and other modifications have been made which call for explanation.

CONVENTIONAL STERLING NOTATION RESUMED.

The system of exhibiting the amounts in conventional pounds sterling of ten Rupees has been reverted to and, except where the context, or some specific assertion indicates the contrary, the same conventional notation is employed throughout this Statement and its Appendix.

PROVINCIAL GOVERNMENT ADJUSTING HEADS.

Two new adjusting Heads of Account, *Balances of the Local Governments decreased* and *Balances of the Local Governments increased*, were introduced last year, in order to provide for the consolidation of the Accounts of the Provincial Governments with those of the Imperial Government without disturbance of the independence of the Provincial Finances. The revenues actually collected, and the expenditure actually incurred, are recorded in the Public Accounts, just as they would be recorded if there were no internal or domestic contracts between the Supreme Government and the Local Governments; but, if the revenue of a Local Government exceeds its expenditure, the excess is paid to it from the Imperial Treasury; if, on the contrary, its expenditure exceeds its revenue, the Local Government must make good the deficiency to the Imperial Treasury. By the particular terminology originally used for the new adjusting Heads, it was intended to emphasise and stereotype the fundamental rule that the Local Governments shall so administer their affairs as never to exhaust the balances at their credit with the Imperial Government. Now, however, it is thought better to adopt the fuller titles *Adjusting receipts from Provincial Governments* (*Provincial Deficits*) and *Adjusting payments to Provincial Governments* (*Provincial Surpluses*).

Preliminary.

UNIFICATION OF THE ACCOUNTS BY RE-INCORPORATION OF SEPARATE LOCAL TRANSACTIONS AFFECTING WHOLE PROVINCES.

Besides the resources provided from the General or Imperial Revenues, the Local Governments have, more or less absolutely at their disposal for provincial uses, considerable sums of money provided otherwise—as, for example, the revenues from Ferries, Tolls, Cattle Pounds, the Nuddea and Calcutta Canals, Local Rates and Cesses, and, in the Central Provinces, the Pandhary tax inherited from the Mahratta Government. When the system of Provincial Service contracts was initiated in 1871-72, it was thought that it would be convenient to include this separate Revenue and Expenditure in the Provincial Accounts and Estimates; but, as this amalgamation was found to obscure comparisons between the new and the old systems, it was postponed. The existence of the two Accounts side by side has, however, produced difficulty and confusion, for it has never been found possible to separate them perfectly; and, meanwhile, an important part of the public Revenue and Expenditure has been excluded from the General Accounts of the Empire. The Provincial Service system has now passed from the experimental stage, and, owing to its successive developments and to the progress of other events, it would now be as difficult as it would be useless to institute detailed comparisons between it and the system which it has superseded. Altogether, the Government of India consider that the best solution of present difficulties will be to adopt now the policy of the complete unification of the Public Accounts: there seems in short no sufficient reason why the Revenue and Expenditure of the country, and the transactions of the Local Governments, should be divided into two categories differing from each other in no essential characteristics. The Government of India has, therefore, determined that, from the beginning of 1878-79, the separate Revenue and Expenditure of the Provincial Governments shall be incorporated in the General Estimates and Accounts of the Revenue and Expenditure of the country, which will, thenceforth, show the Whole Public Revenue and Expenditure of British India. It must be clearly understood that the Government of India does not intend, by thus incorporating these transactions in the General Accounts, to prescribe, or authorise, any change of practice in respect to them; and, in particular, that, to whatever extent the application of any of these funds is governed by law, such law will continue to be exactly as binding as at present.

NO CHANGE IN APPROPRIATION OF THESE FUNDS.

REMAINING LOCAL FUNDS.

The receipts and disbursements of those Local Funds which are appropriated to specially defined purposes, or are quasi-private property, and are not, at any stage, under the direct control of the Local Governments, and do not affect whole Provinces, will still be excluded from the General Estimates and Accounts, and shown in subsidiary Statements; but, excepting the Port Funds, their amount will be unimportant.

"PROVINCIAL CONTRIBUTIONS" DISAPPEARS.

NEW HEADS OF PROVINCIAL RATES.

One effect of this change will be the disappearance of the Head of *Provincial Contributions*, which was required only for the adjustment of transactions between the two separate purses of the Local Governments. On the other hand, two new Heads of *Provincial Rates* must be opened, one on each side of the Account, to show, on the Revenue side, the whole of the Provincial Rates now incorporated and, on the Expenditure side, the cost of their collection. The rest of the expenditure of the Local Governments, whether met from the Provincial Rates, or from assignments of the general or Imperial Revenues, will be distributed under the existing Heads of Account.

TRANSACTIONS WITH GUARANTEED COMPANIES TO BE SHOWN GROSS.

Hitherto the guaranteed interest paid to Railway and other Companies has been shown net, after deduction of the net traffic receipts: henceforth, the whole Net Traffic Receipts received from the Companies, including all the gain by exchange whether upon capital or revenue account, will be shown, in one line, as revenue, and the gross payments of interest and surplus profits to the Companies, together with the cost of land and of Government supervision, will appear, in another line, as expenditure.

IRRIGATION WORKING EXPENSES.

A new Head has been introduced to show separately the working expenses and maintenance charges of *Irrigation* Works, which charges have hitherto been incorporated under *Public Works Ordinary*. The growing importance of these works demands this separation. From this Head and, henceforth, from

the Head of *State Railway Expenditure* will be excluded all capital expenditure: the object being to afford the means of a comparison between the Revenue and the Working Expenses of these Works. Such capital expenditure as may not, under Rule, be transferred to the Head *Productive Public Works* will be recorded under *Public Works Ordinary*. Preliminary.

Under instructions from the Secretary of State, the Heading *Productive Public Works* has been substituted for *Public Works Extraordinary*. The change is significant of a more rigid adherence to the sound policy of excluding nothing from the Total Expenditure upon a comparison of which with the Revenue the surplus or deficit of each year is ascertained, excepting expenditure which may confidently be expected to produce a direct net return at least equal to interest upon it at the current rate. NEW HEADING PRODUCTIVE PUBLIC WORKS.

A fresh Abstract Statement No. II is appended in the form in which the Secretary of State has resolved, for the future, to present the Accounts of the Revenue and Expenditure of British India to Parliament. The design of this change of form is that the transactions relating to the investment of capital by the State in works of material improvement, and the financial consequences of such investments, may, as far as possible, be distinguished, upon the face of the balance-sheet of the country, from the rest of the transactions of the State. NEW PARLIAMENTARY FORM OF ABSTRACT.

The chief differences between the Abstracts Nos. I and II will be that, in Abstract No. II, (1) the interest on that part of the public debt which may be regarded as having been incurred for the construction of Productive Public Works and, as soon as the necessary enquiries are completed, that portion of the Land-Revenue which is believed to be due to the Irrigation Works of which the cost is included in the Capital Expenditure thus distinguished, will be shown separately; and (2) the Account will be broken up into two subdivisions, the first intended to show the results of all the transactions that are not connected with State investments in Productive Public Works, and the second those that are dependent on such investments. The Total Revenue and Expenditure and the Surplus or Deficit will be the same in both Abstracts; but the division, in the new Abstract, of the Revenue and Expenditure into two categories will, when it is completely effected, enable a judgment to be formed of the general financial results of the State investments in Public Works, a subject on which much doubt has been expressed, and on which the older form of Abstract did not throw full light. The new form cannot, however, be prepared with sufficient completeness to answer its purpose fully until the Government of India is in a position, which it is not at present, to distinguish the Land Revenue due to the Capital Expenditure of the State on Irrigation. For this reason, the present Statement does not contain detailed remarks upon the results shown in the new Abstract No. II. OLD AND NEW VERSIONS COMPARED.

The importance and interest of the separate Provincial Finances call now for their separate exhibition and illustration. A new Abstract Statement No. III is, accordingly, annexed to show the Accounts and Estimates of the whole Revenue and Expenditure for which the Provincial Governments have accepted separate responsibilities, with the resulting surplus or deficit accruing to these Governments. The entries in this Abstract correspond generally with the entries in the General Abstracts Nos. I and II; but there are some important distinctions. On the Revenue side is shown the Allotment placed at the credit of the Local Governments for Provincial Services in addition to the revenues specifically assigned to them: no corresponding entry is required, or would be admissible, in the General Accounts. On the Expenditure side are shown, *first*, the portion of the Interest on the Funded and Unfunded Debt which is made good by Provincial Governments for the capital invested in Provincial Productive Public Works; *secondly*, the value of the stationery and stamps supplied to the several Provinces from the Central Stores; and *thirdly*, the amount contributed to the Imperial Treasury from the Provincial Rates and Taxes by way of insurance against Famines. In the general Imperial Accounts all these charges are either deducted from the Provincial surplus which would otherwise be payable to the Provincial Governments, or, as the case may be, added to the deficit which must be made good by the Provincial Governments. ABSTRACT OF THE PROVINCIAL ACCOUNTS.

ACCOUNTS, 1876-77.

Accounts, 1876-77.

ACCOUNTS, 1876-77.

The Public Revenue and Expenditure and Receipts and Disbursements actually recorded in the Accounts of 1876-77 may be thus compared with the Regular Estimates:

COMPARED WITH REGULAR ESTIMATES.

	Regular Estimates.	Accounts.	Better.	Worse.
	£	£	£	£
Opening Balances	17,872,400	17,872,393	...	7
Revenue	55,796,900	56,022,277	225,377	...
Other Receipts	57,145,400	64,001,349	6,855,949	...
Expenditure	61,875,200	62,014,339	...	139,139
Other Disbursements	56,251,700	60,417,015	...	4,165,315
Closing Balances	12,687,800	15,464,665	2,776,865	...
Deficit of Revenue compared with whole Expenditure	6,078,300	5,992,062	86,238	...
Less invested in Productive Public Works ...	3,800,000	3,809,284	...	9,284
Remaining Deficit	2,278,300	2,182,778	95,522	...
Deficit of Revenue compared with Expenditure	6,078,300	5,992,062	86,238	...
Excess of Other Receipts compared with Other Disbursements	893,700	3,584,334	2,690,634	...
Reduction of Balances in the Public Treasuries	5,184,600	2,407,728	2,776,872	...

DECREASE OF DEFICIT £95,522.

It thus appears that the whole Expenditure recorded in the Accounts of 1876-77, including Famine and Productive Public Works, exceeded the recorded Revenue by £5,992,062, being £86,238 less than was expected in March last; the expenditure on Productive Public Works was more by £9,284 than was then estimated; so that the net result of the rest of the Accounts was better than the Regular Estimates by £95,522. This result was attained notwithstanding that the loss of revenue and the expenditure attributed to the Famine brought to account in 1876-77 exceeded the estimates by a net amount which cannot be calculated at less than £350,000. This excess is nominal, and requires no explanation, because the distribution of the financial effects of the Famine in Southern India between the Accounts of that year and those of this year is a detail of no importance. The excess net charge for the Famine was counterbalanced by the postponement to 1877-78 of some heavy payments due at Home to Her Majesty's Government on account of Her Majesty's British Forces serving, or having served in India. There are many other variations in the Accounts from the Regular Estimates of Revenue and Expenditure: but none of them are of sufficient interest to require further notice.

EXCESS DEBT RECEIPTS AND CLOSING BALANCE.

The principal cause of the improvement (£2,690,634) in the Surplus of "*Other Receipts*," that is to say, in the Debt Account, which contributed most of the increase of £2,776,865 in the Closing Balance in the Public Treasuries, is that £1,000,000 was borrowed in England in the month of March 1877 instead of, as had been intended, later in the calendar year 1877. The other variations, though aggregating a large sum, are none of them of prominent importance; but the following may be mentioned:—

The Mahárájá Sindhiá paid in advance, on account of His Highness's Railway Loan, £56,000; certain loans amounting to £140,000 (chiefly in the Bombay Presidency) were not taken so soon as was expected; the Guaranteed Railway Companies supplied themselves to the amount of £244,000 with stores from their Capital reserve instead of, as had been estimated, by new disbursements of cash; bills and assay certificates remained over for discharge in 1877-78 to the amount of £392,000; the deficit of Local Revenues was smaller than the Estimate by £154,000.

In the following Table the Accounts of 1876-77 are similarly compared with the Budget Estimates for that year:

Accounts, 1876-77.

ACCOUNTS, 1876-77, COMPARED WITH ORIGINAL ESTIMATES.

	Budget Estimates.	Accounts.	Better.	Worse.
	£	£	£	£
Opening Balance	16,990,800	17,872,393	881,593	...
Revenue	55,163,200	56,022,277	859,077	...
Other Receipts	59,055,400	64,001,349	4,945,949	...
Expenditure	58,778,200	62,014,339	...	3,236,139
Other Disbursements	57,202,700	60,417,015	...	3,214,315
Closing Balance	15,228,500	15,464,665	236,165	...
Deficit of Revenue compared with Expenditure	3,615,000	5,992,062	...	2,377,062
Less invested in Productive Public Works ...	3,759,000	3,809,284	...	50,284
Remaining Deficit	(Surplus) 144,000	2,182,778	...	2,326,778
Deficit of Revenue compared with Expenditure	3,615,000	5,992,062	...	2,377,062
Excess of Other Receipts compared with Other Disbursements	1,852,700	3,584,334	1,731,634	...
Reduction of Balances in the Public Treasuries	1,762,300	2,407,728	...	645,428

The outturn of the Revenue compared with the Expenditure was worse than the Budget Estimates, altogether, by £2,326,778, and, if the expenditure on Productive Public Works be included, then by £2,377,062.

The cause of this failure was the Famine, which was not foreseen when the Estimates were prepared: the Accounts show a worse result by, probably, £3,450,000 than they would have shown if there had been no Famine: thus, apart from that calamity, there was an improvement in the whole Account of £1,072,938, which is more than accounted for by the improved earnings of the Guaranteed Railways (£1,149,000), of which some part no doubt was due to the increase of traffic arising from the Famine relief operations.

FAMINE ONLY CAUSE OF FAILURE.

The Expenditure having thus, owing to the Famine, exceeded the Revenue, it was necessary to supply ways and means for the service of the year otherwise. Fortunately, the opening balance in the Public Treasuries was larger than was estimated by £881,593, of which £645,428 was absorbed in supplying the deficit of Revenue. The remaining £1,731,634 was obtained under the Debt Heads. The excess amount raised by Public Loans was £1,772,145, so that, but for the Famine and the consequent necessity for increased Loans, the net result of the transactions on the Debt Account would have differed from the Budget Estimates by only £40,511. If, therefore, the effects of the unforeseen Famine be eliminated, it will be found that the Accounts correspond satisfactorily with the Estimates made two years ago; the only exception being the great improvement in the Guaranteed Railway Earnings, which was not anticipated.

WAYS AND MEANS, 1876-77.

The transactions for which the Local Governments had accepted defined separate responsibilities resulted, in 1876-77, in a small surplus, to them, of £5,842.

Of the sum of £3,809,284 recorded as Expenditure on Productive Public Works, £943,423 was spent on Irrigation and Navigation Works, and £2,865,861

EXPENDITURE ON PRODUCTIVE PUBLIC WORKS.

Accounts, 1876-77.

on railways. The principal Irrigation Works and Railways under construction were as follows:—

	Cost in the year.	Cost to the end of the year.		Cost in the year.	Cost to the end of the year.
CANALS.	£	£	CANALS.	£	£
Orissa	73,000	1,728,000	Lower Ganges ...	197,000	1,070,000
Midnapore	39,000	683,000	Western Jumna	51,000	484,000
Soane	218,000	1,737,000	Barí Doab ...	24,000	1,526,000
Ganges	97,000	2,851,000	Sirhind ...	205,000	860,000*
Agra	42,000	753,000	Godavery Works ...	26,000	761,000
RAILWAYS.	£	£	RAILWAYS.	£	£
Punjab Northern ...	340,000	2,409,000	Neemuch	151,000	735,000
Indus Valley ...	968,000	3,699,000	Sindhia	172,000	247,000
Northern Bengal ...	378,000	1,130,000	Holkar	146,000	1,208,000
Tirhut	156,000	413,000	Wardha Valley	75,000	455,000
Rajputana	157,000	2,616,000	Chhattisgarh ...	8,000	17,000
Western Rajputana ...	11,000	57,000			

The expenditure on the realignment of the Western Jumna Canal (£51,000) is necessary for sanitary reasons and to remove serious defects of original construction, but will not add materially to the Revenue; and, as explained by Sir John Strachey last year, it cannot be predicated concerning the Indus Valley and Punjab Northern Lines that they will yield a direct revenue sufficient to cover the interest on their cost. Strictly speaking, therefore, £1,308,000, the outlay on these works, should rather have been added to the deficit on the ordinary account, than included in the Productive Expenditure of the year.

ACCOUNTS OF THREE YEARS.

The Accounts of the three last years 1874-77 record an expenditure of £12,329,484 on Productive Public Works, being only £798,162 less than the net sum borrowed (£13,127,646), and only £194,636 less than the aggregate net deficit (£12,524,120) of revenue during the three years as recorded in the Accounts. It must, however, be remembered that, of the expenditure thus recorded under the Head of *Productive Public Works*, £3,873,000 spent on the Indus Valley and Punjab Northern State Railways and on the realignment of the Western Jumna Canal cannot be expected to be fully reproductive.

TRUE OUTTURN OF THIS PERIOD.

Thus, if only the expenditure on truly Productive Public Works during the three years be deducted from the rest, there would remain a deficit of £4,068,285. As explained by the Hon'ble Sir John Strachey last year, it is necessary to make other adjustments before the true financial indications of the Public Accounts can be appreciated. If these adjustments were made and no expenditure were excluded excepting such as may be expected, with some confidence, to be reproductive, the true deficit of the three years would amount to about £5,878,000.* On the other hand, an expenditure of £4,891,845 is recorded in the Accounts of this period for Famine Relief, and, if count be taken of loss of revenue and of expenditure due to the Famine but recorded under other Service Heads, the Accounts of the three years must be the worse for the Famine by perhaps net 6 millions sterling. Upon the whole, considering the financial inconvenience of the unprecedentedly rapid divergence of the values of gold and silver during this period, the general result does not appear to be unfavourable. The true deficit of the three years does not, probably, exceed the cost of Famine recorded in the Accounts of this period; and, though there may be good reasons for excluding from the Head *Productive Public Works* the £3,873,000 spent on the realignment of the Western Jumna Canal and on the Frontier State Railways, yet that large expenditure need hardly be accepted, without reserve, as an ordinary incident of the administration.

NOT UNFAVOURABLE.

	£
* Deficit as shown in the text	4,068,285
Credited from the Book Balances of the Military Funds	1,059,075
Gained by borrowing at Home instead of supplying the Home Treasury by remittances	750,736
	5,878,096

* Besides £517,000 paid by Native States.

REGULAR ESTIMATES, 1877-78.

The Regular Estimates of the Public Revenues and Expenditure and Receipts and Disbursements during 1877-78 may be thus compared with the Budget Estimates:—

Regular Estimates, 1877-78.

	Budget Estimates.	Regular Estimates.	Better.	Worse.
	£	£	£	£
Opening balance	12,687,800	15,464,665	2,776,865	
Revenue	56,310,900	58,682,000	2,371,100	...
Other Receipts	56,588,200	71,216,000	14,627,800	...
Expenditure	60,560,600	66,990,000	...	6,429,400
Other Disbursements	51,515,100	62,372,665	...	10,857,565
Closing Balance	13,511,200	16,000,000	2,488,800	
Deficit of Revenue compared with whole Expenditure	4,249,700	8,308,000	...	4,058,300
Less invested in Productive Public Works ...	3,628,000	4,877,000	...	1,249,000
Remaining deficit	621,700	3,431,000	...	2,809,300
Deficit of Revenue compared with whole Expenditure	4,249,700	8,308,000	...	4,058,300
Excess of Other Receipts compared with Other Disbursements	5,073,100	8,843,335	3,770,235	
Increase of Balances in the Public Treasuries ...	823,400	535,335		288,065

The improvement of the opening balance has been already explained in the review of the Accounts of 1876-77.

Increase of Deficit.

When the Estimates of the current year were prepared a year ago, the Gross Deficit of Revenue, as compared with the whole recorded expenditure, was expected to be £4,249,700, which would be reduced to £621,700 if the expenditure on Productive Public Works were excluded. The Gross Deficit is now estimated at £8,308,000 and the Deficit on the Ordinary Account at £3,431,000, being in excess of the Original Estimates by £4,058,300 and £2,809,300 respectively.

Caused by Famine.

As last year, so, again, this year, this disappointment is to be attributed entirely to the Famine. In March last year, the Government of India ventured to hope that the Famine in Southern India was drawing to a close; and the Estimates were framed in the expectation of the return of prosperity as soon as the South-West Monsoon should come: but the Monsoon did not come till after much delay, and indeed, in some parts of India, it scarcely came at all. Consequently, the sufferings of the people and the drain upon the public treasuries not only continued, but assumed proportions which were, at one time, gravely alarming. In the Bombay Presidency, although the rain fell irregularly, much loss of crop occurred, and men's minds remained for a long time in uncertainty and apprehension, yet the relief expenditure was kept within bounds, so that the present estimate of the cost of the Famine in that Presidency is less than the estimate of last year: the Government of Bombay and its officers are to be congratulated upon the efficiency and economy with which the disaster was met there. In Madras, the gross cost of the Famine, after setting off only the price recovered for the grain provided by the Government of Madras, is now estimated at £8,687,000 in all, being much more than double the amount estimated a year ago. The Government cannot hope now that operations will altogether cease in the Madras Presidency until the next South-West Monsoon shall set in favourably. The Famine has been, in like manner, prolonged and intensified in Mysore also.

Prolongation of the Famine.

Bombay Famine Finance.

Madras Famine Finance.

Moreover, the result of the want of rain in Upper India was that, throughout the North-Western Provinces and Oudh and a great part of the Punjáb, as well as in the Native States of Rajputáná and Central India, the autumn (kharif) crops upon which multitudes depend for food, almost wholly failed, and there ensued great distress which is not yet, by any means, at an end. At one time there was imminent apprehension that the spring (rabi) crops must also be wanting throughout vast regions, in which case an appalling calamity must have followed. Happily, timely and abundant rain removed these gloomy forebodings, an unusually large breadth of land was sown with spring crops, and

Drought in Northern India.

Apprehensions.

Present prospects.

Regular Estimates, 1877-78.

there is now good reason to hope for a fairly abundant spring harvest in Northern India. The Lower Provinces of Bengal, the Central Provinces, and Burmah have, throughout, been prosperous, obtaining from the necessities of their neighbours great prices for abundant crops.

COST OF FAMINE IN 1877-78.

LOSS OF LAND REVENUE.

COST OF FAMINE RELIEF.

THE ARMY.

EXCISE AND OTHER REVENUES.

The general effect of the Famine upon the finances of 1877-78 may be traced in the Abstract Statements, in the entries opposite to *I Land Revenue* and *Famine Relief*. An average year's land revenue is now about £21,400,000; the land revenue of the current year is expected to be only £20,103,000: a loss of not less than £1,300,000 may be set down to the Famine here. The estimated expenditure on Famine Relief is £5,234,000: this includes, as will be presently explained, the greater part of the excess outlay upon the Public Establishments generally: it does not include £200,000, the estimated addition to the cost of the *Army* in 1877-78 on account of the Famine; or £102,900 granted to the Governments of Madras and Bombay as opening balances at their credit on Provincial Account. There are also losses of *Excise* and *Customs* and of some other Revenues: but these are, perhaps, more than balanced by the excess net traffic earnings of the *Guaranteed Railways*. Upon the whole, the financial results of the Famine which will be recorded in the Accounts of 1877-78 may now be set down at net 6⅔ millions sterling, being upwards of 4¼ millions more than the estimate of March 1877.

TOTAL ESTIMATED COST OF FAMINE.

The total net cost of the Famine then estimated was—

	£
In 1876-77	3,100,000
In 1877-78	2,150,000
TOTAL ...	5,250,000

The present Estimates are—

In 1876-77	3,450,000
In 1877-78	6,500,000
TOTAL ...	9,950,000

In 1878-79, the arrears of land revenue recovered may be expected to exceed the Famine expenditure. The whole net cost of the Famine in Southern India may therefore be now estimated approximately at 9¾ millions sterling, of which, roughly £1,300,000 net, may be attributed to the Bombay Presidency, and £8,450,000 to the Madras Presidency. It is necessary, however, to remember that it is never possible to give a perfectly accurate account of the total net cost of a Famine: the bulk, indeed, of the direct relief expenditure and of the direct loss of revenue can be readily ascertained; but a large margin of indirect loss and gain of revenue on the one hand, and of indirect excess expenditure on the other, must, to the last, be matter for estimate rather than account.

INDIRECT OUTLAY

Besides the actual cost of the Famine to British India, it has been necessary for the Government of India to lend £500,000 to Mysore and £500,000 to His Highness the Mahárájá Sindhia, making £1,000,000 in all. A large sum has also been expended on additions to the rolling-stock of the State Railways and on the construction of Railways which would not otherwise have been constructed: for instance, the Dhond and Manmar Line alone is estimated to cost £758,000 in the two years 1877-78 and 1878-79. Perhaps two-thirds of the £1,249,000 spent on Productive Public Works in excess of the Grant for the year is due to the Famine.

COMPARISON OF REGULAR WITH BUDGET ESTIMATES, 1877-78.

To revert, now, to the comparison of the Regular Estimates with the Budget Estimates of the year 1877-78, it will be observed that the excess deficit on the ordinary account (£2,809,300) is less than the excess cost of the Famine (net £4,350,000) by £1,540,700; in other words, that, if the Famine had not cost more than was expected a year ago, instead of a deficit of £3,431,000, the result of the year would have been a surplus on the ordinary account of £919,000. If the whole £6,500,000 net estimated cost of the Famine recorded in the Regular Estimates of 1877-78, be eliminated, then the surplus upon the ordinary account would be £3,069,000; and, assuming that £800,000 of the excess expenditure on Productive Public Works is due to the Famine,

the Whole Expenditure, including Productive Works, would exceed the revenue recorded during the year by only £1,008,000. The adjustments necessary to bring out the true financial condition of the year would have reduced the surplus on the ordinary account by £1,113,000; and once again it is necessary to remember that, of the total entry against Productive Public Works, £89,000 spent upon the Western Jumna realignment, and £1,659,000 on the Frontier Railways should rather be recorded as ordinary than extraordinary expenditure.* Nor must it be forgotten that some of the first-fruits of the recent financial measures are being reaped this year. The Governments of *Bengal* and the *North-Western Provinces* are contributing to the Imperial Exchequer, as the result of those measures, £279,200, as follows:— Regular Estimates, 1877-78. EFFECTS OF RECENT FINANCIAL MEASURES.

	£	£
Bengal		200,000
North-Western Provinces		289,500
Total		489,500
Less net profits on Canals and Railways—		
Bengal	5,900	
North-Western Provinces	204,400	
		210,300
Net		279,200

And the following retrenchments have been secured:—

	£
Bengal	59,000
North-Western Provinces and Oudh	42,700
Punjab	22,400
Central Provinces	9,000
Bombay	56,700
	189,800

The following are the detailed explanations of the differences between the Original and Present Estimates:— DETAILS.

REVENUE.

I, Land Revenue.—Less £837,800.

The chief defaulter is *Madras*, which is responsible for £656,600; *Bombay*, on the other hand, hopes to yield £129,200 more than estimated: thus the two Southern Presidencies together are expected to give £527,400 less than estimated. As a consequence of the drought in Northern India, the Punjab falls short by £25,700, and the North-Western Provinces and Oudh by £347,500. Other differences are unimportant. LAND REVENUE.

III and *5, Forests.*—Revenue more £49,800; Expenditure more £31,700; Net Revenue better £18,100; Net Revenue £179,000. The net increase is in *Burmah* £13,000, including the net price (£8,300) of some teak supplied to the Admiralty in England. FORESTS.

IV and *6, Excise.*—Revenue less £59,700; Expenditure less £7,100: Net Revenue less £52,600; Net Revenue £2,402,000. There were net improvements as follows:—*Assam* EXCISE.

* A more correct estimate of the real financial position in 1877-78 may, perhaps, be formed by making the following adjustments:—

	Compared with Whole Expenditure.	Compared with Expenditure exclusive of investments in Productive Public Works.
	£	£
Deficit of recorded Revenue according to the Accounts	8,308,000	3,431,000
Add credited from extinct Military Funds	297,000	297,000
Saved by borrowing in England instead of remitting	815,000	815,000
Total	9,420,000	4,543,000
Transfer from *Productive Public Works*, expenditure not fully reproductive	1,748,000	1,748,000
Total	11,168,000	6,291,000
Deduct net cost of Famine, less the estimated annual average of £1,500,000	5,000,000	5,000,000
Remaining Deficit	6,168,000	1,291,000

Regular Estimates, 1877-78.

£10,000, *Bengal* £47,000, *Bombay* £34,000 (of which £15,000 is nominal, there having been an error of classification in the original Grant), the *Central Provinces* £10,000, and the *Punjab* £3,000: and deficits as follows:—*North-Western Provinces and Oudh* £22,000, and *Madras* £128,000.

Thus, the Famine in Southern India and the Drought in Upper India caused a net loss of *Excise* revenue compared with the Estimates (which were normal Estimates) of £131,000. This loss was compensated, to the extent of £80,000, by favourable returns in other Provinces; notably in *Bengal*, where, the Board of Revenue remarks, "the localisation of the Excise Revenue has instilled energy into the administration" of the department.

ASSESSED TAXES.

V and *7, Assessed Taxes.*—The entries here (net £84,000) are for the License Tax in the North-Western Provinces, the only Province in which this tax was in operation in 1877-78.

PROVINCIAL RATES AND PROVINCIAL CONTRIBUTIONS.

VI, Provincial Rates, and XXVII, Provincial Contributions.—It was estimated that the Provincial Governments would contribute £415,100 to the Imperial Treasury from their own independent resources, the main tributaries being *Bengal* (£281,700), almost wholly for interest on the capital invested in the Provincial Canals and Railways, and the *North-Western Provinces* (£100,000), on the same account. In the Budget Estimates these contributions were placed under the head "*XXVII, Provincial Contributions.*"

NEW RATES, AND TAXES.

To enable these Governments to bear their new burdens, the Government of Bengal was authorised to impose a Public Works cess (*Bengal Provincial Public Works Act (II), 1877*), and, by Act VII of 1877, the Lieutenant-Governor of the North-Western Provinces was empowered to apply, at his discretion, in payment of charges incurred on account of Canals and Railways declared to be works of general provincial utility, any sum not exceeding one-tenth of the rates levied under the North-Western Provinces Local Rates Act, 1871: the sum actually so applied is expected to be only £28,000. Further, by the North-Western Provinces License Act (VIII), 1877, the Government of the North-Western Provinces was empowered to levy a license tax on trades and dealings, the results of which in 1877-78 are shown, as has been explained, under the preceding Head, "*V Assessed Taxes.*"

The proceeds of the Bengal Public Works Cess Act, 1877, (£185,000) and the North-Western Provinces Amended Local Rates Act, 1877, (£28,000) are shown in the Regular Estimates for 1877-78 under the Head "*VI Provincial Rates.*"

TRANSACTIONS HOW SHOWN IN THE ACCOUNTS.

The actual contributions to be paid by the Local Governments, whether under the arrangements completed last year, as just described, or under the further arrangements for Famine Insurance, described in the preliminary Resolution, appear in the separate *Abstract Statement of Provincial Revenues and Expenditure No. III.* The entries in that Statement under *1 Interest*, contain the gross amounts payable by the Governments of *Bengal* and the *North-Western Provinces and Oudh* as interest (including the imperial share of profits) on the capital cost of the Provincial Works for which those Governments have accepted responsibility; to ascertain the net charge upon the Local Governments on this account, the net revenue which they receive from the Canals and Railways made over to them, must be deducted from the amount shown under *1 Interest.* The entry opposite to *Famine Insurance* is the total amount which will be paid by the Local Governments, in consequence of the recent legislation as explained in the preliminary Resolution. The effect of the entry of those sums in this way in that *pro formâ* Account, is to reduce the Surplus payable to the Provincial Governments by the Imperial Government, or, as the case may be, to increase the Deficit payable by the Provincial Governments to the Imperial Government: the relief to the Imperial Government appears in the General Finance Accounts, Abstracts I and II, only in the shape of less Surplus to pay to the Provincial Governments, or more Deficit to receive from them.

A necessary result of all this is, that the contributions from the Governments of Bengal and the North-Western Provinces shown in the Original Estimates under "*Provincial Contributions*" disappear in the Regular Estimates.

REDUCTION OF BENGAL CONTRIBUTIONS.

It may be mentioned here that, as the Government of Bengal found a difficulty in levying the Provincial Public Works Cess during the first quarter

of 1877-78, the Government of India consented to reduce the gross amount of interest to be contributed by that Government in 1877-78 from £274,700 to £200,000 only: the net amount that will be actually contributed is now estimated at £5,900 less, *viz.*, £194,100. Regular Estimates, 1877-78

VII and *9.—Customs.*—Revenue more £143,100; Expenditure more £6,700; Net Revenue more £136,400; Net Revenue £2,430,000. The net improvements were, in *Bengal* £194,000 and *Bombay* £67,000; the failures were in *Burmah* £21,000, *Madras* £60,000, and on the *Inland Customs Line* £44,000. Here, again, the failures in *Burmah*, *Madras*, and *Upper India*, aggregating £125,000, are due entirely to the Famine. The estimate, as a whole, was abnormally low, and the Regular Estimate shows considerable recovery, great prosperity in *Bengal* having counterbalanced the loss in *Madras* and *Upper India: Bombay* has nearly regained its usual condition. CUSTOMS.

VIII and *10.—Salt.*—Revenue more £223,000; Expenditure more £12,300: Net Revenue more £210,700; Net Revenue £6,035,000. The Net Revenue would have been greater by £165,000 but for the rectification of an erroneous procedure in *Madras*, where it has been the habit to credit as Revenue, Government Securities deposited by Salt Contractors: if it had not been necessary to make this correction, the Net Revenue would have been £6,200,000. The improvements are as follows:—*Bombay* £154,000, *Bengal* £128,000, *Inland Customs Line* £35,000 (would have been £81,000 but for the cost of certain negotiations with the Native States in Rajputáná, and indemnity payments already made to some of them). The defaulters are, *Madras* £102,000 (but for the transfer already described, there would have been an improvement of £63,000), and *Burmah* £3,000. SALT.

By the Salt Act (XVIII), 1877, which became law on the 27th December 1877, the duty on Salt consumed in *Bombay* and *Madras* was raised from Rs. 1-13 to Rs. 2-8 a maund; the duty on Salt consumed in *Sindh* was raised from the special rate of 8 annas to the general rate of Rs. 2-8 a maund; and, simultaneously, the duty in *Upper India* was reduced from Rs. 3 to Rs. 2-12, and the duty in *Bengal* from Rs. 3-4 to Rs. 3-2 a maund: some other changes were also made. Although these measures were taken with a view to the eventual equalisation of the Salt Duties throughout India, still they were calculated to produce a temporary net yearly addition to the Revenue of £300,000: it is impossible to say how much of the considerable increase of Revenue this year is due to their operation; the expectation was that little increase would result at first; and it is probable that not much of the excess Revenue is due to the increased rates of duty: but that this Head of Revenue has been exceptionally productive this year. CHANGES IN SALT DUTIES.

IX and *11.—Opium.*—Revenue more £588,000; Expenditure more £359,000: Net Revenue more £229,000; Net Revenue £6,479,000. Of the improvement, £10,000 is in Bombay and the rest in Bengal. OPIUM.

On the 16th July 1877, the duty on a chest of opium exported from *Bombay* was raised by Rs. 50; that is to say, the duty on a chest of opium for export from Bombay was increased, if weighed at Ajmir, from Rs. 625 to Rs. 675, and, if weighed elsewhere, from Rs. 600 to Rs. 650. This measure was adopted in order to prevent the loss of revenue caused by the displacement in China by *Malwa* opium, of *Bengal* opium, which, at present prices, yields, on a quantity of opium equal to the contents of a chest of *Malwa* opium, a net revenue of about Rs. 1,000. INCREASE OF PASS DUTY.

The drought in Upper India extended to *Malwa* with such disastrous effects upon the poppy cultivation there, that the Governor General's Agent, after careful personal inspection, does not expect the crop to yield 25,000 chests of opium, which is less than half an average crop. The effect of this anticipated failure has been, for some time past, manifest; the market prices having risen, at Bombay, from Rs. 1,275 for new, and Rs. 1,312 for old opium, to Rs. 1,540 and Rs. 1,590, or by more than 20 per cent.: prices have, indeed, been still higher. In consequence of the stimulus of these high prices, the falling-off in the export of *Malwa* opium this year has been less than might have been expected; 41,651 chests passed the scales to the end of February, compared with the following corresponding figures:— FAILURE OF MALWA CROP.

1872-73	39,905	1875-76	38,418
1873-74	42,129	1876-77	46,253
1874-75	45,281	1877-78	41,651

Regular Estimates, 1877-78.

BENGAL OPIUM.

Forty-nine thousand five hundred chests of Bengal Opium have been sold during the year, at an average of Rs. 1,266-6-7, yielding £6,268,760, which may be compared with the following figures :—

	No. of Chests.	Average. Rs. A. P.		No. of Chests.	Average. Rs. A. P.
1872-73 ...	42,675	1,385 11 6	1876-77 ...	47,240	1,270 1 11
1873-74 ...	42,750	1,265 13 4	1877-78 ...	49,500	1,266 6 7
1874-75 ...	45,000	1,207 0 4	1878-79 ...	55,500	
1875-76 ...	45,510	1,259 2 11			

INCREASED PRODUCE, 1878.

The produce of Bengal Opium in 1876-77 was again abundant the harvest yielding 67,167 chests: thus the stock in hand on the 1st of January 1878 was no less than 102,482 chests. Seeing the large supply thus accumulated, the Government of India, on the 27th April, notified 54,000 chests for sale in the calendar year 1878, leaving for sale in 1879, 48,482 chests of old opium, in addition to the crop of 1877-78 now on the ground. At the same time, the price paid to the cultivators was reduced from Rs. 5 to Rs. 4½ a seer 70° consistence, and the Chutia Nagpur Agency and the Rohini Factory were closed. The cultivators have manifested no unwillingness to accept the reduced price; and, had not the season in Bengal, as in Malwa, been unpropitious, there would probably have been no great contraction of the area under poppy.

REDUCTION OF PRICE.

STAMPS.

X and *12, Stamps.*—Revenue more £88,600; Expenditure more £4,800; Net Revenue more £83,800; Net Revenue £2,882,000; being more by £140,000 than the highest net revenue ever before collected. The improvements are as follows: *Assam*, £6,000; *Bengal*, £90,000; the *Punjab*, £25,000; *Burmah*, £6,000; *Central Provinces*, £10,000; *North-Western Provinces and Oudh*, £4,000. On the other hand, *Madras* has defaulted by £22,000, and *Bombay* by £30,000. Stores in *England*, too, have cost £3,000 more than was estimated.

The great increase in Bengal is partly accidental, being due to the effects of the Land Registration Act (VII) of 1876, the operation of which will be for the most part temporary: this Act, though not passed for revenue purposes, was estimated to yield £59,000 of *Stamp Revenue*. The failure in the Minor Presidencies is probably due to the Famine.

MINTS.

XI and *13, Mint.*—Revenue more £274,000; Expenditure more £42,800; Net Revenue more £231,200; Net Revenue £317,000,—the largest net revenue ever received, with the single exception of the year 1865-66, when a net revenue of £321,793 was recorded.

HEAVY COINAGE OF SILVER.

The net imports of silver in the first ten months of the year amounted to the enormous sum of £13,115,767; and the still larger sum of £13,695,559 has been actually coined during these ten months. It has been necessary to keep both the Calcutta and Bombay Mints working, for months together, to the utmost of their power, and the exertions of the Mint and Assay Masters and their establishments deserve public acknowledgment. The brunt of the work has fallen upon the Bombay Mint, which has coined during the ten months £9,388,134; the Calcutta Mint has coined £4,307,425.

BULLION ADVANCES BY CURRENCY DEPARTMENT.

By the Currency Law, as it stands, the Paper Currency Department is bound to issue notes, convertible on demand into coin, in exchange for all silver bullion, after it has been assayed. The Government has statutory power to interpose any interval which it thinks proper between the assay of the bullion and the issue of notes in exchange therefor; but, although the obligation to make these great advances has caused, this year, considerable inconvenience, and even some anxiety, no such usance has been, hitherto, imposed. Since the end of August, the amount of the currency reserve absorbed in advances upon bullion has always largely exceeded £2,000,000; throughout December and January and the first week of February, the sum thus locked up exceeded £3,000,000; and, at one time, it stood at £3,680,560. At that time, however, the circulation and, therefore, the coin reserve, were so inflated that no uneasiness was felt. The pressure upon the resources of the Currency Department was really greatest on the 15th October, when, although only the more moderate sum of £2,629,884 was outstanding as bullion advances, there remained a coin reserve of only £3,864,473 to support outstanding notes for £12,487,608.

MISCELLANEOUS.

XXI and *30, Miscellaneous.*—Revenue more £59,700; Expenditure less £2,600; Net Revenue more £62,300. The only item deserving notice in India is a recovery from the Rangoon Port Fund of a loan of £7,700 which had been written off. The main improve

ment is at home, where the Cinchona produced upon the Government plantations was sold for £27,400 more than was estimated. Regular Estimates, 1877-78.

Irrigation.—Revenue more £47,400; Expenditure more £4,900; Net Revenue more £42,500; Net Revenue £51,000. The improvement is mostly in the North-Western Provinces, where the drought was favorable to the revenue under this Head. IRRIGATION.

EXPENDITURE.

1 and *XVIII.—Interest.*—Expenditure more £101,500; Revenue more £23,500; Net Expenditure more £78,000; Net Expenditure £5,212,000, INTEREST.

The Home Treasury spent net £7,500 less than the Grant: the whole excess was in India, and is explained entirely by the discount on the loan raised during the year which has been recorded under this Head. It was not formerly the practice to adjust the premium or discount on Loans as Revenue and Expenditure; but this is always now done. Four per cent. Bonds were sold in England during the year for £4,200,000, the premium thereon amounting to £59,000; in India, Four per cent. Promissory Notes were issued for £3,304,780, at an average rate of Rs. 96-6 per cent., the discount thereon amounting to £119,939: thus the net discount paid during the year amounted to £60,939. Moreover, the discount in India unadjusted at the beginning of the year exceeded the unadjusted premium in England by £53,956: thus the whole amount adjusted during the year will be £114,895.* The sum of £8,300 has been paid during the year as interest on loans raised for a temporary purpose, to which reference will again be made.

	£
*Net discount outstanding at beginning of 1877-78	53,956
Discount on New Loan ...	119,939
	173,895
Deduct premium obtained in London	59,000
	114,895

The following Table contains the usual statistics of the Funded Debt of India:— STATISTICS OF PUBLIC DEBT.

Estimated Debt of the Government of India on the 31st March 1878.

(Sterling and rupees combined on the assumption that £1=Rs. 10.)

RATE OF INTEREST.	CAPITAL AMOUNT OUTSTANDING.				A year's interest thereon.
	Sterling.	Rupees.	Silver convertible at the option of the creditors into Sterling at a rate equivalent to 1s. 10½d. (exactly 1s. 10·536d.*)=1 Re.	Value in Rupees.	
5½	...	9,84,51,700	...	9,84,51,700	54,14,800
5	17,200,000	60,03,000	...	17,80,03,000	89,00,150
4½		15,44,98,200	...	15,44,98,200	69,52,406
4	42,376,116	47,71,59,935	...	90,09,21,095	3,60,36,843
4	...	...	1,23,06,665	1,23,06,665	4,92,267
3½	...	6,52,000	...	6,52,000	22,800
Nil	20,917	4,25,700	...	6,34,870	*Nil.*
	59,597,033	73,71,90,535	1,23,06,665	1,34,54,67,530	5,78,19,260

* This assumes the current rate of interest to be four per cent.

Thus the average rate of yearly interest upon the registered debt of India would appear to be 4·29 per cent., whereas the interest to be obtained upon an investment in four per cent. securities of the Government of India is 4·06 or 3·88 per cent., according as the interest is payable in silver in India or in gold in London.

The capital of the Railway Companies and Madras Irrigation Company is £97,298,508, the interest upon which amounting to £4,706,000, is guaran-

Regular Estimates, 1877-78.

teed in gold in London from Indian Revenues. The total debt of India therefore of all kinds is as follows:—

Total Debt of India classified according to the standard (gold or silver) by which it is paid and brought to the common standard of silver at the average exchange of the year 1877-78.

	Capital of debt.	Capital of debt, gold bearing debt being converted into silver at the average exchange of 1877-78, Re. 1 = 1s. 8·79d.	A year's interest thereon.	The same, the interest payable in gold being converted into silver at the average exchange of 1877-78, viz., Re. 1 = 1s. 8·79d.
		Rs.		Rs.
Interest payable in silver ...	Rs. 73,71,90,535	73,71,90,535	Rs. 3,17,76,308	3,17,76,308
Ditto ditto in gold ...	£59,597,033	68,79,88,836	£2,555,004	2,94,93,996
Ditto ditto in silver or at the option of the creditor in gold at a rate equivalent to 1s. 10½d.=1 Re.	Rs. 1,23,06,665	1,33,39,442	Rs. 4,92,267 or £46,150	5,33,578
Interest on Capital of Railway Companies and Madras Irrigation Company.	£97,298,508	1,12,32,15,100	£4,706,000	5,43,26,118
Total Capital Debt ...	.....	2,56,17,33,913	...	11,61,31,000

According to this table, the average interest per cent. paid upon the whole debt of India is 4·53.

The percentage of the Rupee debt held by Natives of India on the 31st December is estimated from the distribution of the actual payments of interest to have been as follows:—

1869	... 22·50	1874	... 25·24
1870	... 20·25	1875	... 24·77
1871	... 24·74	1876	... 25·30
1872	... 22·82	1877	... 25·68
1873	... 25·31		

Investments by Native States have increased this percentage of late years.

REFUNDS. *3, Refunds and Drawbacks.*—The saving of £18,000 is casual, and may not, after all, be realised. The refunds and drawbacks recorded during the last five years average £318,488, so that the latest estimate this year is unusually low.

LAND REVENUE. *4, Land Revenue.*—Excess expenditure £32,400 due to the Famine.

POST OFFICE. *14 and XII, Post Office.*—Expenditure more £6,700; Revenue more £15,100; Net expenditure less £8,400; Net expenditure £60,000.

This is the smallest net expenditure recorded against the Post Office since the introduction of the system by which official correspondence is carried at specially favorable rates. The net charge is only £5,455 less than in 1876-77; but, then, the extra departmental expenditure in 1877-78 on account of the Famine is estimated at £12,000. Any one forming a judgment upon the finances of the Post Office should bear in mind that the expenditure recorded in 1877-78 includes subsidies paid to the British India Steam Navigation Company (£71,600), and the Euphrates and Tigris Company (£3,600), as well as India's share (£75,000) of the subsidy to the P. and O. Company; altogether £150,200. In a great part of the work done for these payments the Indian Post Office has comparatively little interest: the whole revenue received by India as its share of the postage realised from overland correspondence scarcely covers the cost of territorial conveyance in India. It should also be remembered that official correspondence is now carried at rates which are calculated to yield little or no departmental profit: of the revenue recorded, £ 131,000 is derived from official correspondence. On the other hand, the Post Office enjoys certain privileges, in that the mails are conveyed by the Guaranteed Railways at nominal rates, and that the State Railways are to carry the mails at cost price only.

The progress of the Post Office since 1856, when the uniform ½ anna rate for letters was first introduced, has been remarkable, and at present there is no sign of its ceasing. Regular Estimates, 1877-78.

	Articles received for delivery.	Revenue from private correspondence.	Post offices.	Postal lines.
	No.	£	No.	Mileage.
1855-56	33,286,000	159,052	753	36,313
1876-77	122,541,000	548,177	3,852	58,370

15 and *XIII, Telegraphs.*—Expenditure less £12,500; Revenue more £22,500; Net Expenditure less £35,000. The Net Grant to the Department was £180,000; the Net Expenditure is now expected to be £145,000,—a satisfactory improvement. TELEGRAPHS.

The Indo-European Line is a heavy drag upon the departmental finances, to which it contributes this year an expected deficit of £55,000. The Ceylon Line also imposes a considerable annual net charge upon India, from which relief is now being sought: there is no longer any sufficient reason why India should bear this burden for Ceylon. The net expenditure on the Indian lines alone is expected to be only about £85,000.

16, Administration.—Expenditure more £44,800. The chief excess is for the offices connected with the Government of *India* £35,400, and is to be attributed, for the most part, to expenses connected with the Famine, as, for example, the journey of His Excellency the Viceroy and Suite to the famine districts; telegraphic correspondence with Her Majesty's Government; and the appointment of special officers, &c. There is also an excess of £15,800 in *Bombay*, for the cost of a third Commissioner and for the carriage eastwards of coin from the Bombay Mint,—an obligation arising from the concession of convertibility to Currency Notes beyond their own circle. On the other hand, there is a nominal reduction of £6,000 in *England* owing to the transfer of some of the home expenditure to Stationery and Printing. ADMINISTRATION

18 and *XIV, Law and Justice* and *19* and *XV, Police.*—Expenditure more £34,600; Revenue less £21,700; Net Expenditure more £56,300. The Famine has obscured the facts about these two Services, part of the expenditure upon which has been transferred to 31 *Famine Relief*: explanations in detail therefore seem useless. LAW AND JUSTICE AND POLICE.

20 and *XVI, Marine.*—Expenditure less £700; Revenue more £34,100; Net Expenditure less £34,800. The excess Revenue is in *Bengal* (£39,100), and is due to the great influx of shipping into Calcutta to carry grain to Madras. MARINE.

21 and *XVII, Education.*—Expenditure less £16,300; Revenue more £8,100; Net Expenditure less £24,400. The largest decreases of net expenditure are in *Bengal* £8,900, and the *North-Western Provinces and Oudh* £6,200. EDUCATION.

23, Stationery and Printing.—Expenditure more £26,800. Stores bought in England cost more by £22,700 than was expected, and there is an increase of £8,000 in *Madras* attributed to the Famine. STATIONERY AND PRINTING.

24, Political.—Expenditure more £67,000. Of the excess, £10,000 is at the *Home Treasury* and includes three years' charges against India for the China Embassy and a settlement of the account of the Zanzibar Mission, &c. The rest is in India and is due to various frontier arrangements. POLITICAL AGENCIES.

25, Allowances and Assignments.—The saving is nominal, being due to the substitution of direct assignments of revenue for certain Pagoda payments in the Madras Presidency. ALLOWANCES AND ASSIGNMENTS.

27 and *XVIII, Superannuations, &c.*—Expenditure more £43,300; Revenue more £22,600; Net Expenditure more £20,700; Net Expenditure £1,236,000. The amount credited from the Book Balances of the extinct Military Funds is £297,380, as follows:— PENSIONS.

	£
India	20,980
Madras	189,300
Bombay	87,100
TOTAL	297,380

The expenditure for Pensions is increasing, and must continue for some time to increase.

28 & XIX, Loss and Gain by Exchange.—Expenditure more £16,000; Revenue more £6,100; Net Expenditure more £9,900. The Original Estimate was that the Secretary of State would raise £12,250,000 by the sale of bills for Rs. 13,85,00,000, the estimated rate of Exchange being Re. 1=1*s.* 9·23*d.* It is now estimated that £10,432,000 will be obtained by the sale of bills for Rs. 12,04,29,000, the average rate being Re. 1 = 1*s.* 8·79*d.* Thus, although the amount entered under *Loss by Exchange* is very nearly what was estimated, this result has been obtained only because the sum remitted has been considerably less than was estimated. The value of Re. 1 measured in gold has proved to be less than was estimated by ·44*d.*, or about 2 per cent. Doubtless the estimate made in March last year was rather sanguine. LOSS BY EXCHANGE.

Regular Estimates, 1877-78.

The strain upon the Indian Treasury, owing to the prolongation of the Famine, compelled the Government of India to ask the Secretary of State, first, to reduce his drafts, and then, for eleven weeks (from the 19th September to the 12th December) to suspend them altogether.

SUSPENSION OF BILLS.

VALUE OF SILVER.

The following Statistics relate to the value of silver and the course of the Exchanges during the year:—

	Highest.		Lowest.	
Rate of Exchange on Secretary of State's Bills ...	(18th April)	1s. 9·74d.	(23rd Jan.)	1s. 8·51d.
Price in London of an oz. troy standard Silver ...	(8th Oct.)	55⅝d.	(21st June)	53½d.
Price in Calcutta of Four per cent. Rupee Security of the Government of India	(27th June)	98¼	(8th Sept.)	92
Price in London (in Gold) of ditto ditto (enfaced) ...	(18th May)	84⅝	(12th Sept.)	80⅜
Price in London of Secretary of State's Four per cent. Sterling Bonds...	(30th Aug.)	104⅛	(3rd May)	100¾
Price in Calcutta of a tolah (180 grains troy) of 23-Carat Gold	(July)	Rs. A. 17 14	(23rd Oct.)	Rs. A. 17 1
Price in Calcutta of a Sovereign	(5th Sept.)	11 14	(18th April)	11 4

FAMINE RELIEF.

31, Famine Relief.—Expenditure more £3,809,000. The cause of this excess has been already prominently explained. The entry here provides for the adjustments required to place the Governments of *Madras* and *Bombay* in a condition of equilibrium at the end of the year 1877-78: the additions necessary to provide them with moderate opening balances appear only under the Head *37, Provincial Surpluses*. The Famine has caused large excess expenditure throughout the Civil Administration in the *Madras* and *Bombay* Presidencies; and the Government of India will take over as much of this excess charge as was beyond the resources of the Local Governments: this will be effected by the transfer of sufficient expenditure to the Imperial Head *Famine Relief* from the Provincial Headings *Jails, Police*, and, chiefly, *Public Works*. Thus, as already remarked, the entries opposite *Famine Relief* show almost the whole of the expenditure on the Famine in the Civil Departments including *Public Works Ordinary*.

THE ARMY.

32 and *XXII, The Army.*—Expenditure more £197,400; Revenue more £20,000; Net Expenditure more £177,400. The excess charges on account of the Famine (£200,000) are more than the Estimate (£103,700) by £96,300, and the expenditure from the Home Treasury is expected to exceed the estimate by £117,700, owing to the postponement into 1877-78 of certain payments which, as already explained, the Secretary of State intended to have made in 1876-77.

33 and *XXIII, Public Works Ordinary.*—Expenditure less £91,500; Revenue more £6,500; Net Expenditure less £98,000. This is nominal, owing to the transfer from this Head to *31, Famine Relief*, of expenditure which exceeded the Public Works expenditure due to the Famine: it was not thought expedient to distribute the adjustment finely over the several Heads affected.

GUARANTEED RAILWAYS.

35 and *XXV, Guaranteed Railways.*—Expenditure more £448,800; Revenue more £1,893,800; Net Revenue more £1,445,000. According to the Finance Accounts these undertakings are now expected to yield a Net Revenue of £715,000.

This result is exclusive of the share of the entry under the adjusting Head *29, Loss by Exchange*, which belongs to the Guaranteed Railways. The guaranteed interest to be paid to the Companies in gold in England is estimated at £4,685,000, which sum enters into the total £5,645,000 shown in the Abstract Statements as the estimated expenditure upon the Guaranteed Railways in 1877-78. Converted at the average rate obtained for the Secretary of State's Bills during the year (1*s.* 8·79*d.*), this sum of £4,685,000 becomes Rs. 5,40,80,493, and including £2,200 interest on the Revenue balances of the *Oudh and Rohilkhand* Company, the true total expenditure on the lines becomes Rs. 6,37,10,000, or, in the conventional notation of the Accounts, £6,371,000. The true financial result to India in 1877-78 of the Guaranteed Railways is thus expected to be a net charge of £9,000, being an improvement upon the result similarly calculated from the Budget Estimates of no less than £1,333,000.

Some portion of this improvement is doubtless due to the prolongation of the Famine: the Government of India has repeatedly taken occasion to acknowledge the vitally important services of these railways in the operations for the

relief of the great population suffering from that calamity. Calculations have been made which indicate that the Famine does not account for more altogether than £600,000 of the excess net earnings of the guaranteed railways during the two years 1876-77 and 1877-78. Regular Estimates, 1877-78.

The following table contains the statistics of these undertakings for the last few years :— STATISTICS OF GUARANTEED RAILWAYS.

	1872-73.	1873-74.	1874-75.	1875-76.	1876-77.	1877-78.		1878-79, Estimates.
						Original Estimates.	Latest Estimates.	
Miles open	5,346	5,562	5,596	5,812	5,998	6,047	6,037	6,049
	£	£	£	£	£	£	£	£
Gross earnings	7,510,076	8,320,279	8,931,187	8,966,376	10,885,098	9,279,400	13,147,000	11,210,000
Working expenses ...	4,645,749	4,707,835	4,748,739	4,703,457	5,774,194	4,845,100	6,834,500	5,844,500
Percentage of working expenses on earnings ...	61·86	56·58	53·17	52·46	53·23	52·21	51·98	52·14
Net Revenue	2,864,327	3,612,444	4,182,448	4,262,919	5,110,904	4,434,300	6,312,500	5,365,500
Gain by exchange on capital account	55,473	42,133	78,175	35,593	70,651	33,700	49,500	31,500
TOTAL REVENUE ...	2,919,800	3,654,577	4,260,623	4,298,512	5,181,555	4,468,000	6,362,000	5,397,000
Gross guaranteed interest—								
Paid in India ...	42,115	39,191	36,799	33,414	23,736	26,100	20,600	19,600
Paid at Home* ...	4,619,249	4,631,531	4,659,755	4,656,886	4,686,751	4,692,000	4,685,000	4,749,000
Total guaranteed Interest (sterling converted at average exchange of the year)	4,901,312	5,013,391	5,069,514	5,196,931	5,513,342	5,331,000	5,429,000	5,607,000
Surplus paid to Companies ...	85,395	91,501	427,561	227,251	296,023	400,000	872,000	642,000
Land and Supervision ...	161,056	152,438	55,394	83,313	51,633	78,000	68,000	81,000
Interest on revenue balances...	23,136	26,934	35,643	34,970	34,936	1,000	2,000	2,000
TOTAL EXPENDITURE ...	5,170,899	5,284,264	5,588,112	5,542,465	5,895,932	5,810,000	6,371,000	6,332,000
Net cost to the Public Treasury	2,251,099	1,629,687	1,327,489	1,243,953	714,384	1,342,000	9,000	935,000

It is not too much to say that the enormous increase in the gross earnings of these Railways has taken every one by surprise. In his Financial Statement made on the 15th March last, the Hon'ble Sir John Strachey drew attention prominently to the fact that, for the first time, the gross earnings were expected in 1876-77 to exceed £10,000,000: the sum of £10,885,098 was actually earned in that year. It was estimated that £9,279,400 would be similarly earned in 1877-78: the estimate has now grown to no less than £13,147,000, being an excess in the year of £3,867,600. If this estimate be realised (and there is no reason to doubt that it will be realised), the earnings of these lines in 1877-78 will have increased by 72 per cent. in five years. Meanwhile the percentage of working expenses has not increased but diminished steadily from 61·86 in 1872-73 to 51·98 in 1877-78, which is creditable to the administration of the Companies.

Now that the East Indian and Great Indian Peninsula Companies are earning surplus profits each half-year, the growth of the traffic benefits the State proportionately less than it did. Of the gross earnings this year the unprecedented sum of £871,400, being more than double the estimated amount, will be surrendered to the Companies as surplus profits. But, altogether, the recent history of the Railways constructed by the Guaranteed Indian Companies is exceedingly satisfactory.

The several Railways have contributed to the net increase over the Original Estimates this year as follows :—

	£		£
East Indian Railway ...	859,900	*Bombay and Baroda* ...	136,500
Great Indian Peninsula ...	348,000	*Eastern Bengal*	102,500
Sindh, Punjab and Delhi ...	180,000	*Oudh and Rohilkhand* ...	62,000
Madras Railway	161,200	*South Indian*	40,300

* Excepting those in this line which are true sterling, all the figures in this Table are rupees converted into sterling at the conventional rate of £1 = Rs. 10.

Regular Estimates, 1877-78.

This great growth of the traffic upon the *Guaranteed Railways* has been closely bound up with the simultaneous growth of the trade of India, which, without their assistance, could not have attained its remarkable development.

MADRAS IRRIGATION COMPANY.

The Madras Irrigation Company causes a charge of £50,000 a year for interest on the £1,000,000 spent by the Company, and the result of its operations has, till now, been that the working expenses annually exceed the revenue by a considerable sum.

STATE RAILWAYS.

XXXVI and *26, State Railways.*—Expenditure less £77,000; Revenue less £137,800: Net Revenue less £60,800. The progress of these lines is as yet slow, and it is observed with regret that the facts usually fall short of the estimates. The failure this year is attributed to delay in the opening of the Northern Bengal State Railway, and, elsewhere, to over-sanguine estimates: sufficient experience has not yet been accumulated to enable the administrators of these Railways to estimate future results with accuracy.

The gross earnings and working expenses and net traffic receipts of these Railways are as follows:—

STATE RAILWAYS.

	Miles open.	Receipts.	Expenditure.	Net Revenue.	Loss on Working.
		£	£	£	£
1872-73	69	16,533	11,171	5,362	...
1873-74	255	39,914	46,388	...	6,474
1874-75	693	130,986	86,004	44,982	...
1875-76	840	289,512	193,485	96,027	...
1876-77	968	371,691	283,070	88,621	...
1877-78—Budget Estimate ...	1,567	674,800	48,300	191,800	...
1877-78—Regular Estimate ...	1,567	537,000	406,000	131,000	...
1878-79—Budget Estimate ...	2,150	967,000	704,000	263,000	...

It must be borne in mind that the Guaranteed Lines have occupied the main trade arteries of the country, and that it can hardly be expected that the progress of the State Railways should in these the first years of their existence compare favourably with the Guaranteed Lines, many of which have been in operation for a long series of years.

37 and *XXVIII, Provincial Surpluses and Deficits.*—Expenditure more £230,000; Revenue less £9,200. The Net Surplus accruing to the Provincial Governments upon the transactions of the year is thus estimated at £220,800. Of this, £102,900 is a grant from the General Revenues to the Governments of *Madras* and *Bombay*, to constitute moderate opening balances available for Provincial Services in 1878-79. The Government of Bengal had a surplus of £122,300; the Government of the North-Western Provinces a deficit of £25,000, caused entirely by the Relief operations in those Provinces, the whole charge for which has been accepted by the Local Government.

Productive Public Works.—Expenditure more £1,249,000, of which £863,000 is in India, and £386,000 in England.

The Excess is in the main due to the Famine. Heavy Expenditure was necessary to increase the Rolling Stock of the Railways, in order that they might be properly equipped for their work: and extensive operations were undertaken in order to provide useful labour for the people dependent upon the State for their daily food.

Of the total expenditure of £4,877,000, £869,000 was spent on Irrigation and Navigation works, and £4,008,000 on Railways. The principal Irrigation Works and Railways under construction were as follows:—

CANALS.	Cost in the year.	Cost to end of the year.	CANALS.	Cost in the year.	Cost to end of the year.
	£	£		£	£
Orissa ...	259,000	4,407,000	Western Jumna ...	89,000	583,000
Midnapur ...			Bari Doab ...	22,000	1,548,000
Soane ...			Sirhind	225,000	1,085,000
Ganges ...	285,000	4,959,000	Godavery Works ...	37,000	798,000
Agra ...					
Lower Ganges					
RAILWAYS.			RAILWAYS.		
Punjab Northern ...	308,000	2,717,000	Neemuch ...	205,000	940,000
Indus Valley ...	1,351,000	5,050,000	Sindhia	212,000	459,000
Northern Bengal ...	439,000	1,569,000	Holkar	89,000	1,297,000
Tirhut	94,000	507,000	Wardha Valley ...	22,000	477,000
Rajputáná ...	159,000	2,775,000	Chhattisgarh ...	4,000	21,000
Western Rajputáná ...	360,000	417,000	Dhond and Manmad	498,000	498,000

Regular Estimates, 1877-78. WAYS AND MEANS.

The deficit of Revenue compared with the Whole Expenditure of the year is expected to exceed the estimated deficit by £4,058,300. It has been shown that the opening balance was larger than the Estimate by £2,776,865, of which £1,000,000 was borrowed just before instead of just after the beginning of the year. The amount to be added to the balances £535,335 falls short of the estimated amount £823,400 by £288,065, which sum with £3,770,235 obtained by increasing the remaining net obligations of the State will supply the deficit of Revenue.

According to the original arrangement, a net sum of £6,500,000 was to be borrowed in the year. This sum has been raised to £7,254,000, so that all the additional financial difficulties of the year have been apparently met with an addition of less than three-quarters of a million to the Funded Debt in excess of what was originally contemplated. This, however, is not a complete view of the case: not only was an unestimated million borrowed, as has been seen, immediately before the year opened, but the capital transactions with the *Railway Companies* leave the Public Debt to them just one million larger than it was expected to be. On the other hand, the net *Loans to Native States, &c.*, have exceeded the Estimate by £416,000, which excess is much more than explained by the loans to Mysore and Gwalior, already described, some portion of which, indeed, still remains to be taken. The net sum to be added to the Public Debt during the year (including in this category the capital transactions with the Guaranteed Railway Companies and the loan transactions with Native States, &c.) is in excess of Estimate by £1,344,900, to which, if the £1,000,000 borrowed in March 1877 be added, the sum of £2,344,900 results as the real addition to the Debt on account of the prolongation of the Famine. So far, however, as the Estimates of the current year are concerned, the excess deficit of £4,058,300 has been thus supplied:—

	£
Borrowed	1,344,900
From the Public Balances	288,065
From other Debt Heads	2,425,335

Of this last item (£2,425,335) the Local Funds supplied an excess surplus of £425,000, and the remaining £2,000,335 is spread over the various deposit and remittance transactions. The closing balances in the Home and Indian Treasuries are now estimated at £16,000,000, *viz.*, £14,734,600 in India, and £1,265,400 in the Home Treasury.

TEMPORARY LOANS.

In October 1877 the pressure upon the resources of the Government of India was so great, that it became necessary to obtain some temporary assistance for the Treasury; £565,145 was, accordingly, borrowed for short terms at rates of interest varying from 5 to 7 per cent. All these loans have now been repaid; the sum of £8,300 represents the interest upon them.

BUDGET ESTIMATES, 1878-79.

In the following Table, the *Budget Estimates*, 1878-79, are compared with the *Regular Estimates*, 1877-78:—

	Regular Estimates, 1877-78.	Budget Estimates, 1878-79.	Better.	Worse.
	£	£	£	£
Opening Balance	15,464,665	16,000,000	535,335	...
Revenue	58,682,000	63,250,000	4,568,000	...
Other Receipts	71,216,000	59,850,000	...	11,366,000
Expenditure	66,990,000	65,649,000	1,341,000	...
Other Disbursements	62,372,665	58,951,000	3,421,665	...
Closing Balance	16,000,000	14,500,000	...	1,500,000
Deficit of Revenue as compared with whole Expenditure	8,308,000	2,399,000	5,909,000	...
Less invested in Productive Public Works ...	4,877,000	4,555,000	322,000	
Remaining Deficit	3,431,000			
Surplus	... ...	2,156,000	5,587,000	
Deficit of Revenue as compared with whole Expenditure	8,308,000	2,399,000	5,909,000	
Excess of Other Receipts as compared with Other Disbursements	8,843,335	899,000	.....	7,944,335
Addition to the Public Balances ...	535,335	... ...	.....	
Reduction of ditto ...	... ...	1,500,000	.....	2,035,335

Budget Estimates, 1878-79.

The Regular Estimates for 1877-78 show a gross Revenue of £58,682,000; the Budget Estimates for 1878-79 produce a gross Revenue of £63,250,000, being an improvement of £4,568,000, of which £2,654,000 is due to the incorporation of Local Funds, the transactions of which have hitherto been recorded separately; £929,000* (net) to new taxation and the temporary incidental increase of the duties upon *Salt*, and £985,000 to other causes. As the Land Revenue for collection in 1878-79 is estimated to exceed the amount collected in 1877-78 by £1,968,000, the Estimates of Revenue as a whole are, *primâ facie*, moderate.

The Regular Estimates of 1877-78 point to a gross expenditure of £66,990,000 and to an Ordinary Expenditure of £62,113,000. The Grants for the service of 1878-79 aggregate £65,649,000, those for the ordinary services amounting to £61,094,000. For comparative purposes, however, it is more convenient to eliminate the Famine Expenditure altogether. The Famine Expenditure in 1877-78 is £5,234,000 upon the Civil Estimates, and £200,000 upon those of the Army, total £5,434,000; the Grants for Famine Expenditure in 1878-79 are £500,000 upon the Civil Estimates and £55,000 upon the Army Estimates, total £555,000. Thus, excluding all plainly distinguishable recorded expenditure on Famine, the Regular Estimates point to a Grand Total Ordinary Expenditure in 1877-78 of £56,679,000, whilst the Grants for 1878-79 aggregate £60,539,000, showing an increase of £3,860,000, of which £2,832,100 is explained by the incorporation of the expenditure from Local Funds, and £54,000 is for the cost of collecting the License Tax. The great estimate of £3,000,000 for *Loss by Exchange* would alone account for an excess of £1,384,000 over the Regular Estimate. Compared with the present year, therefore, the Grants for the ordinary service of next year are, *primâ facie*, reasonable and moderate.

The following are the detailed explanations of the differences between the Budget Estimates and the Regular Estimates of 1877-78:—

REVENUE.

I, Land Revenue.—Increase £1,968,000. The Land Revenue of 1877-78 was depressed by the famine.

An ordinary year's land revenue being now about £21,400,000, the estimate for 1878-79 (£22,071,000) includes nearly £700,000 arrears: and this is not perhaps too sanguine an estimate. It cannot indeed be predicted confidently that, even if the season proves favourable, the *Madras* Presidency will not only resume its usual productiveness, but be able to make good much of its recoverable arrears; but in *Upper India* there will probably be no difficulty in collecting the arrears.

II, Tributes.—More £10,000. Owing to the Drought, the State of Búndí will probably not be able to pay till next year its tribute due in 1877-78.

III and *5, Forest.*—Revenue more £53,000; Expenditure more £29,000; Net Revenue more £24,000; Net Revenue £203,000; a large recovery is expected in the *North-Western Provinces and Oudh* for sleepers supplied to State Railways. The estimate seems moderate.

IV and *6, Excise.*—Revenue more £248,000; Expenditure less £4,000; Net Revenue more £252,000; Net Revenue £2,654,000; being by far the largest Net Excise Revenue yet obtained.

Of the increase, £142,900 is due to the anticipated return of prosperity in the Minor Presidencies; the estimates of Revenue there are moderate. There is,

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* *Gross*

	£	£
Assessed Taxes, 1878-79		765,000
Provincial Rates		449,000
Salt Duty		300,000
		1,514,000
Less obtained in 1877-78—		
Assessed Taxes	90,000	
Provincial Rates	213,000	
Salt (say)	50,000	
		353,000
		1,161,000
Less Customs Duties now remitted		232,000
Net increase, 1878-79		929,000

Budget Estimates, 1878-79.

moreover, a special item of £50,000 at *Bombay*—the expected result of the enforcement of the treaty obligations of the Baroda State in respect to opium. At present opium is so freely smuggled through or from Baroda into the neighbouring British territory, that the Revenue obtained upon the consumption of opium there is nominal, although the drug is more freely used in Kattywar and Cutch than in any other part of India excepting Assam. As compared with previous years, the bulk of the improvement is in *Bengal*, *Burma*, the *Central Provinces*, and *Assam*. The growing prosperity of the country, and the firm ground of results attained this year, justify these estimates: the improvement manifested in them illustrates the advantage of provincial responsibility for such revenues.

V and *7*, *Assessed Taxes*.—Revenue more £675,000; Expenditure more £48,000; Net Revenue more £627,000: Net Revenue £711,000.

This is the estimated produce of the License Tax imposed by Act II of 1878 (*Imperial Council*), Act I of 1878 (*Bengal Council*), and the corresponding legislation, accomplished or expected, in the Bombay and Madras Councils.

VI and *8*, *Provincial Rates*.—Revenue more £3,103,000; Expenditure more £43,000; Net Revenue more £3,060,000.

This comprises the proceeds of the new taxation imposed by the Bengal Public Works Cess Act, 1877 (maximum half anna in the rupee—3⅛ per cent.—rental), and the several Local Rates Acts III, IV, and V, 1878 (two per cent. on Land Revenue), as well as the rates hitherto accounted for separately as Local Funds. These last-mentioned rates are balanced by the following expenditure hitherto recorded under Local Funds and now, for the first time, incorporated in the General Accounts:—

	£
3.—Refunds and Drawbacks	17,400
4.—Land Revenue	443,700
6.—Excise	800
7.—Provincial Rates	43,400
12.—Post Office...	33,200
15.—Minor Departments	211,500
16.—Law and Justice	100
17.—Police	244,600
19.—Education	276,500
21.—Medical	66,100
22.—Stationery and Printing	200
23.—Political	100
26.—Superannuation, &c.	100
28.—Miscellaneous	93,300
Public Works, Ordinary	1,401,100
TOTAL ...	£2,832,100

The New Rates are expected to yield, in 1878-79, as follows:—

	£
Bengal (*Public Works Cess Act II of 1877*)	345,000
North-Western Provinces and Oudh (*Acts III and IV of 1877*) ...	55,000
Punjab (*Act V of 1877*)	49,000
TOTAL ...	£ 449,000

The New Rates will not be levied in the North-Western Provinces and Oudh till the new agricultural year, which begins in September. In 1879-80, and thereafter, these rates will yield, in those Provinces, £55,000 more.

Thus the expected License Tax and the New Rates together are expected to yield this year gross £1,214,000 and net, say, £1,150,000. Both taxes have been surrendered to the Provincial Governments, and the Abstract Statement

Budget Estimates, 1878-79.

No. III shows that these Governments are to pay to the Imperial Treasury in 1878-79 in respect thereof as follows:—

		£
Famine Insurance		776,500
Interest on Capital invested in Provincial Canals and Railways		611,300
Total ...		1,387,800
Less net profits on Canals and Railways:—		
Bengal	£ 78,400	
North-Western Provinces and Oudh	„ 181,400	
		259,800
Remaining Net new burden to be borne by the Provincial Governments in 1878-79 with the assistance of the New Taxes		1,128,000

If to this be added the sum of the new retrenchments exacted (£189,800), it would appear that the total relief obtained by this means is £1,317,000.

VII and *9, Customs.*—Revenue less £150,000; Expenditure less £4,000; Net Revenue less £146,000: Net Revenue £2,284,000.

As first prepared, these Estimates showed a gross improvement of £82,000; but, as explained in the prefixed Resolution, the Government has resolved to abolish the long-condemned sugar duties levied upon the *Inland Customs Line*, and to remit the duties upon the coarser qualities of *Cotton Yarns and Piece-goods*, *Railway Materials*, and a number of articles, each producing only a small amount of revenue.

The estimated reduction is as follows:—

	£
Sugar duties	155,000
Coarse cotton yarns and piece-goods	26,000
Railway materials	11,000
Miscellaneous items	40,000
	232,000

The remaining Net Customs Duty (£2,284,000) is only £5,000 less than the Net Customs Revenue of 1876-77.

The Net Customs Revenue of late years has been—

	£		£
1872-73	2,473,515	1875-76	2,535,658
1873-74	2,444,632	1876-77	2,289,115
1874-75	2,494,308	1877-78	2,430,000

The depression in 1876-77 is mainly due to the reforms of the 5th August 1875 (*Indian Tarif Act VIII of 1875*). Apparently, the Revenue has already completely recovered from the effects of the sacrifices then made, though they were estimated at £308,000.

VIII and *10, Salt.*—Revenue more £247,000; Expenditure less £11,000; Net Revenue more £258,000: Net Revenue £6,293,000.

It has been explained that the revenue of 1877-78 has been accidentally reduced by £165,500 owing to the correction of an erroneous practice at *Madras;* otherwise, the revenue during the current year would have been £165,000 more, and the estimated improvement next year £165,000 less, or only £93,000 in all. The readjustment of the Salt Duties by Act XVIII of 1877 was expected to result in a net addition of £300,000 to the revenue, but little of which is believed to have been realised in 1877-78. Nevertheless, only a moderate part of the £300,000 has been added to the estimated revenue of 1877-78, because the amount of that revenue is quite unprecedented, and it does not seem prudent, for the present, to reckon upon it as permanent.

IX and *11, Opium.*—Revenue less £948,000; Expenditure less £469,000; Net Revenue less £479,000: Net Revenue £6,000,000. The Estimates and Accounts of late years have been as follows:— Budget Estimates, 1878-79.

	Number of chests			Net Revenue.	
	Sold at Calcutta.	Paid duty for export from Bombay.	Total.	Estimated.	Obtained.
				£	£
1874-75	45,000	49,561	94,561	5,500,000	6,215,083
1875-76	45,510	41,804	87,314	5,750,000	6,252,860
1876-77	47,240	49,786	97,026	6,000,000	6,280,813
1877-78	49,500	44,000	93,500	6,250,000	6,479,000
1878-79	55,500	27,500	83,000	6,000,000	...

It has been already stated that, owing to the drought, the present harvest in Malwa is likely to fail to such an extent that local authorities expect less than half a crop. This explains the low estimate of chests for export from Bombay. Under the circumstances, the Government has advertised 60,000 chests of Bengal Opium for sale in the calendar year 1879, being 6,000 chests more than the provision of 1878. It has seemed prudent to reduce the Estimate of *Net Opium Revenue* below the standard of 1877-78, which was the highest recent Estimate; but it is hoped that, notwithstanding the failure in Malwa, at least £6,000,000 of net revenue will be obtained. The crop in the Bengal Presidency is reported to be also deficient, while the reduction of the price paid to the cultivators will tell throughout the year, instead of during half the year only as in 1877-78; so that the expenditure is likely to be less than during the last two years.

X and *12, Stamps.*—Revenue less £8,000; Expenditure more £21,000: Net Revenue less £29,000: Net Revenue £2,867,000. The excess expenditure is for stores at Home. In view of the exceptional cause for an improvement of £50,000 in *Bengal* in 1877-78, it has seemed imprudent to estimate for any further growth of the Revenue.

XI and *13, Mint.*—Revenue less £269,000; Expenditure less £22,000: Net Revenue less £247,000: Net Revenue £70,000.

The great influx of silver bullion in 1877-78 is doubtless, to a great extent, due to the large sums that it has been necessary to borrow: the same cause will not, it is hoped, be in operation next year, and there is no reason to expect that the imports of silver will be repeated upon their recent scale.

XXVII, Provincial Contributions.—Revenue less £8,000. This Head disappears owing to the incorporation of the Local Funds in the General Accounts.

EXPENDITURE.

1, 2, and *XVII, Interest.*—Expenditure more £175,000; Revenue more £26,000: Net Expenditure more £149,000; Net Expenditure £5,719,000. Provision is made for a full year's interest on the amounts borrowed and lent during the current year and for the loan operations of the coming year; also for the usual increase of payments to the Civil Service Funds.

3, Refunds.—Expenditure more £36,000. The entry under this Head in 1877-78 is unusually small. The grant for next year (£324,000) is for the normal amount, including £17,400 from the Local Funds now incorporated.

4, Land Revenue.—Increase £422,000; £443,700 is incorporated for payments to village officers, heretofore recorded under Local Funds. The balance of decrease is owing to settlement operations diminishing in the North-Western Provinces, and because some famine expenditure fell upon this Grant in Bombay in 1877-78.

14 and *XXII, Post Office.*—Expenditure more £41,000; Revenue more £31,000; Net Expenditure more £10,000; Net Expenditure £70,000, of which £33,200 is Expenditure for the District Posts, heretofore recorded under Local Funds. If all things be considered, this Estimate is the most favorable ever presented.

15 and *XIII, Telegraph.*—Expenditure more £31,000; Revenue less £4,000; Net Revenue less £35,000. The same Grant of Net £180,000, which was made for this year, has been repeated for next year.

17, Minor Departments.—Expenditure more £226,000, of which £215,000 has been hitherto recorded under Local Funds; the rest is for some increase in the cost of Horse-breeding Operations chiefly for military purposes.

Budget Estimates, 1878-79.

18 and *XIV, Law and Justice.*—Expenditure less £1,000; Revenue more £8,000; Net Expenditure less £,9000; Net Expenditure £2,476,000. The Expenditure this year is affected by the Famine.

19 and *XV, Police.*—Expenditure more £244,000; Revenue less £7,000; Net Expenditure more £251,000, of which £244,600 is imported from Local Funds.

20 and *XVI, Marine.*—Expenditure more £30,000; Revenue less £35,000; Net Expenditure more £65,000; Net Expenditure £373,000. As has already been explained, the Revenue collected at Calcutta this year was exceptional; the increase next year is for the construction of a Steam-vessel for the Marine Surveys.

21 and *XVII, Education.*—Expenditure more £290,000; Revenue more £1,000; Net Expenditure more £289,000; imported from Local Funds £276,500.

23, Medical.—Expenditure more £42,000; imported from Local Funds £66,100. The saving is in *Bengal*, where the Local Government is taking vigorous measures to enforce economy.

24, Stationery and Printing.—Expenditure less £11,000; the Expenditure in 1877-78 was swollen by the Famine.

25, Political.—Expenditure less £51,000. The reduction is in England, where several exceptional items caused an abnormal expenditure this year.

28 and *XIX, Superannuations.*—Expenditure less £14,000; Revenue less £22,000; Net Expenditure more £8,000: a normal increase to the grant, which may, perhaps, prove too small. The gross figures this year are swollen by the retirement of the junior subscribers to the Bombay Medical Retiring Fund.

29 and *XX, Exchange.*—Expenditure more £1,384,000. Revenue less £1,000. Net Expenditure more £1,383,000.

The sum of £17,000,000 must be remitted in 1878-79 for the supply of the Home Treasury; it is estimated that this will cost Rs. 20,00,00,000, being at the rate of 1*s.* 8·4*d.* The rate for the adjustment of transactions between the Indian and Imperial Governments has been fixed by the Secretary of State at 1*s.* 9*d.*

30 and *XXI, Miscellaneous.*—Expenditure more £76,000; Revenue less £77,000. Imported from Local Funds £93,300. The decrease of Revenue is chiefly at the Home Treasury, where there have been exceptional receipts in 1877-78.

31, Famine Relief.—The Government of Madras estimates that £500,000 may be spent in 1878-79 on famine operations.

32, The Army.—Expenditure less £636,000; Revenue less £17,000; Net Expenditure less £619,000. Net Grant £14,905,000. Of this considerable saving, £225,100 (net) is in India and the rest is in England. The extra cost of the Army attributed to the Famine this year is £200,000; for next year it is only £55,000; this accounts for £145,000 of the saving in India: the rest is due to the expenditure having been swollen this year by other exceptional causes. The saving at the Home Treasury is entirely in Stores, the Grant for expenditure on Stores being much lower than has been usual lately.

34 and *XXIII, Public Works, Ordinary.*—Expenditure more £1,839,000; Revenue less £10,000; Net Expenditure more £1,849,000; transferred from Local Funds £1,401,000. Of the remaining £448,000, a considerable sum is nominal, owing to the adjustment of the Expenditure in 1877-78 in connection with the Famine as already described. £189,900 is in *Bengal*, the Lieutenant-Governor having determined to spend some of the balances at credit of his Government; this amount is balanced by a corresponding entry on the Revenue side under *Provincial Deficits*: £70,800 is in the Imperial Expenditure, including provision for a costly dredger for the harbour at Kurrachee.

35 and *XXV, Guaranteed Railways.*—Expenditure less £154,000; Revenue less £965,000; Net Expenditure more £811,000; Net Expenditure by the Accounts £94,000. True Net Expenditure, as shewn in the Table in the Review of the Regular Estimates, £935,000, or £926,000 more than this year.

It does not seem safe to count upon a repetition next year of the signal prosperity of the current year. The estimate is for a less favourable result than that obtained even in 1876-77, when the net cost to the State was £714,384; but, in that year, only £296,000 was surrendered to the Companies as Surplus Profits, whereas in 1878-79 the Government expect to pay £642,000 as such profits.

36 and *XXVI, State Railways.*—Revenue more £430,000; Expenditure more £298,000; Net Revenue better £132,000, which seems moderate, considering the large capital expenditure that is being incurred.

38, Productive Public Works.—Net loss £322,000, the expenditure this year having been accidentally swollen by the Famine; indeed, the Government of India can hardly undertake with confidence to provide yearly even 4½ millions for expenditure on Productive

Public Works. Of the whole grant, £4,555,000, £3,555,000 will be spent upon Railways and £1,000,000 on Canals, as follows:— Budget Estimates, 1878-79.

Canals.	In the year.	To the end of the year.
	£	£
Bari Doab ...	15,000	1,553,000
Sirhind ...	230,000	1,315,000
Western Jumna ...	96,000	669,000
Railways.		
Punjab Northern ...	513,000	3,230,000
Indus Valley ...	560,000	5,610,000
Northern Bengal ...	312,000	1,628,000
Tirhut ...	60,000	515,000
Patna and Gya ...	180,000	180,000
Nalhati ...	10,000	37,000
Cawnpore and Farakhabad ...	150,000	150,000
Rajputáná ...	94,000	2,869,000
Western Rajputáná ...	582,000	999,000

Canals.	In the year.	To the end of the year.
	£	£
Ganges; Lower Ganges, and Agra	260,000	...
Soane, Orissa, and Midnapur ...	275,000	...
Bombay Works ...	60,000	...
Madras ...	60,000	...
Railways.		
Neemuch ...	235,000	1,176,000
Sindia ...	249,000	708,000
Holkar ...	56,000	1,353,000
Wardha Valley ...	1,000	478,000
Chattisgarh ...	100,000	120,000
Dhond and Manmar	260,000	758,000

Thus, again, the comparatively unproductive expenditure mounts up to the large sum of £1,169,000. The Public Works Department estimate that there still remains to be spent on these works as follows:—

	£
Western Jumna Re-alignment	286,000
Indus Valley Railway	700,000
Punjab Northern	680,000
Total ...	1,666,000

When this is spent, the cost of these works will have been as follows:—

	£
Western Jumna Realignment	955,000
Indus Valley Railway	6,810,000
Punjab Northern Railway	3,910,000
Total ...	11,175,000

XXIV and *34, Irrigation.*—Revenue more £43,000; Expenditure more £14,000; Net Revenue more £29,000; Net Revenue £80,000. The improvement is in *Bengal*, where the Soane Canals are expected to yield increased revenue.

XXVIII and *37, Provincial Deficits and Surpluses.*—The Provincial Governments are expected to incur a net deficit of £268,000; that is to say, they will expend that sum out of their balances; this amount will appear in the General Account under the appropriate Heads of Services, and must be made good by the Provincial Governments, whose payment to the Imperial Treasury will appear under this Head.

Ways and Means.

It remains now only to speak of the Estimates of Ways and Means for the service of 1878-79. The little abstract in the right hand corner of Statement No. IV shows that, besides the deficit of Revenue which, as has been seen, is estimated at £2,399,000, the Government is called upon to provide for the repayment to the extinct Military Funds of the sum of £281,000 for which credit is taken as Revenue; to find £600,000 net for advances to Native States, Municipalities, Port Trusts, &c.; and, lastly, to repay £1,000,000 Railway Capital to the Guaranteed Companies. Thus the net requirements of the year in excess of the Revenue amount to £4,280,000. Towards meeting this demand the Government is prepared to submit to a reduction by £1,500,000 of the Public Balance, and to content itself with an estimated balance on the 31st March 1879 of only £14,500,000, *viz.*, £13,069,200 in *India* and £1,430,800 in the *Home Treasury*. The amount is rather small, but if the year is prosperous it may turn out to be larger. Some anticipated petty receipts raise the expected assets of the Government, including the £1,500,000 taken from the balances, to £1,780,000; there remains still wanting £2,500,000; and for this sum resort must probably be had to the money market during the year. The Government is not at present prepared to announce how, or when, or where it will invite subscriptions for this sum.

Budget Estimates, 1878-79.

CONCLUDING REMARKS.

The Estimates of 1878-79 thus show a surplus on the ordinary account of £2,156,000, or omitting the credit of £281,000, from the Military Funds, which, as has just been said, must first be borrowed before it is credited as Revenue, a surplus of £1,875,000. The expected arrears of land revenue, £671,000, exceed by £116,000 the £555,000 which is provided on account of the Famine. Deducting this sum, the net surplus becomes £1,759,000. There is, happily, no deduction to be made in respect of the loan operations of the year; for provision is made upon the estimates for the remittance in full of all the requirements of the Home Treasury. So far, it would seem that, besides supplying the whole £1,500,000 wanted for Famine insurance, a surplus of £259,000 remains. But it must be once more remarked that of the £4,555,000 set down for Productive Public Works, £1,169,000 is allotted for works which do not in fact comply with the condition of being truly productive. These dead-weight obligations are now, however, approaching liquidation. Of the whole estimated cost of the Frontier Line, of Railway and the re-alignment of the Western Jumna Canal (£11,175,000) there will remain, it is hoped, after the end of 1878-79, only £1,666,000 to spend. Meanwhile, it is clear that, favorable in many respects as the present Estimates appear, the country has not been required by the measures of taxation recently adopted to make any unnecessary sacrifices for the Public Weal.

In an appendix will be found some interesting Financial and Commercial Statistics illustrating the economical history and condition of India during the period covered by this Statement.

By order of His Excellency the Viceroy and Governor General in Council.

R. B. CHAPMAN,
Secretary to the Government of India.

FORT WILLIAM,
The 18th March 1878.

STATEMENTS.

I.

REVENUE AND EXPENDITURE OF THE GOVERNMENT

Estimates,

REVENUE.	Accounts, 1876-77.	Budget Estimates, 1877-78.	Regular Estimates, 1877-78.	Increase.	Decrease.	Budget Estimates, 1878-79.	Budget Estimates, 1878-79, compared with Regular Estimates, 1877-78.	
							Increase.	Decrease.
CIVIL.	£	£	£	£	£	£	£	£
I.—Land Revenue ...	19,857,152	20,940,800	20,103,000	...	837,800	22,071,000	1,968,000	...
II.—Tributes ...	694,934	697,900	695,000	...	2,900	705,000	10,000	...
III.—Forest	598,687	579,200	629,000	49,800	...	682,000	53,000	...
IV.—Excise ...	2,523,045	2,561,700	2,502,000	...	59,700	2,750,000	248,000	...
V.—Assessed Taxes ...	310	...	90,000	90,000	...	765,000	675,000	...
VI.—Provincial Rates ...	...	...	213,000	213,000	...	3,316,000	3,103,000	...
VII.—Customs	2,483,345	2,486,900	2,630,000	143,100	...	2,480,000	...	150,000
VIII.—Salt	6,304,658	6,343,000	6,566,000	223,000	...	6,813,000	247,000	...
IX.—Opium	9,122,460	8,610,000	9,198,000	588,000	...	8,250,000	...	948,000
X.—Stamps	2,838,628	2,896,400	2,985,000	88,600	...	2,977,000	...	8,000
XI.—Mint	258,854	175,000	449,000	274,000	...	180,000	...	269,000
XII.—Post Office ...	794,328	825,900	841,000	15,100	...	872,000	31,000	...
XIII.—Telegraph ...	341,227	315,500	338,000	22,500	...	334,000	...	4,000
XIV.—Law and Justice ...	789,828	842,700	815,000	...	27,700	823,000	8,000	...
XV.—Police ...	64,277	70,000	76,000	6,000	...	69,000	...	7,000
XVI.—Marine	233,179	201,900	236,000	34,100	...	201,000	...	35,000
XVII.—Education	105,516	101,900	110,000	8,100	...	111,000	1,000	...
XVIII.—Interest	536,281	512,500	536,000	23,500	...	562,000	26,000	...
XIX.—Superannuation Contributions ...	607,242	597,400	620,000	22,600	...	598,000	...	22,000
XX.—Gain by Exchange ...	51,649	37,900	44,000	6,100	...	43,000	...	1,000
XXI.—Miscellaneous ...	411,025	279,300	339,000	59,700	...	262,000	...	77,000
Total ...	48,616,625	49,075,900	50,015,000	939,100	...	54,864,000	4,849,000	...
XXII.—Army	925,473	892,000	912,000	20,000	...	895,000	...	17,000
XXIII.—Public Works, Ordy.	198,371	199,500	206,000	6,500	...	196,000	...	10,000
XXIV.—Irrigation ...	523,100	551,600	599,000	47,400	...	642,000	43,000	...
XXV.—Guaranteed Railways	5,181,555	4,468,200	6,362,000	1,893,800	...	5,397,000	...	965,000
XXVI.—State Railways ...	371,691	674,800	537,000	...	137,800	967,000	430,000	...
XXVII.—Provl. Contributions	45,894	415,100	8,000	...	407,100	...	...	8,000
XXVIII.—Adjusting Receipts from Provincial Governments (Provincial Deficits) ...	159,568	33,800	43,000	9,200	...	289,000	246,000	...
GRAND TOTAL ...	56,022,277	56,310,900	58,682,000	2,371,100	...	63,250,000	4,568,000	...
Deficit	2,182,778	621,700	3,431,000	2,809,300	...	...	...	3,431,000

Fort William;
Financial Department,
The 18th March 1878

EDWARD GAY,
Deputy Comptroller General.

F INDIA IN INDIA AND IN ENGLAND.

878-79.

(£1 = Rs. 10)

EXPENDITURE.	Accounts, 1876-77.	Budget Estimates, 1877-78.	Regular Estimates, 1877-78.	Increase.	Decrease.	Budget Estimates, 1878-79.	Budget Estimates, 1878-79, compared with Regular Estimates, 1877-78.	
							Increase.	Decrease.
CIVIL.	£	£	£	£	£	£	£	£
1.—Interest on Debt ...	5,408,655	5,646,500	5,748,000	101,500	...	5,909,000	161,000	...
2.—Interest, other Accounts	394,514	359,600	358,000	...	1,600	372,000	14,000	...
3.—Refunds and Drawbacks ...	291,106	306,000	288,000	...	18,000	324,000	36,000	...
4.—Land Revenue ...	2,504,611	2,506,600	2,539,000	32,400	...	2,961,000	422,000	...
5.—Forest ...	436,181	418,300	450,000	31,700	...	479,000	29,000	...
6.—Excise ...	90,693	107,100	100,000	...	7,100	96,000	...	4,000
7.—Assessed Taxes ...	...	...	6,000	6,000	...	54,000	48,000	...
8.—Provincial Rates ...	...	...	...	...	...	43,000	43,000	...
9.—Customs ...	194,230	193,300	200,000	6,700	...	196,000	...	4,000
0.—Salt ...	488,480	518,700	531,000	12,300	...	520,000	...	11,000
1.—Opium ...	2,841,647	2,360,000	2,719,000	359,000	...	2,250,000	...	469,000
2.—Stamps ...	96,266	98,200	103,000	4,800	...	124,000	21,000	...
3.—Mint ...	130,601	89,200	132,000	42,800	...	110,000	...	22,000
4.—Post Office ...	859,783	894,300	901,000	6,700	...	942,000	41,000	...
5.—Telegraph ...	473,127	495,500	483,000	...	12,500	514,000	31,000	...
6.—Administration ...	1,474,095	1,423,200	1,468,000	44,800	...	1,463,000	...	5,000
7.—Minor Departments ...	320,138	322,800	324,000	1,200	...	550,000	226,000	...
8.—Law and Justice ...	3,275,821	3,294,400	3,300,000	5,600	...	3,299,000	...	1,000
9.—Police ...	2,158,032	2,095,000	2,124,000	29,000	...	2,368,000	244,000	...
0.—Marine ...	699,584	544,700	544,000	...	700	574,000	30,000	...
1.—Education ...	730,013	741,300	725,000	...	16,300	1,015,000	290,000	...
2.—Ecclesiastical ...	163,866	166,600	159,000	...	7,600	164,000	5,000	...
3.—Medical ...	596,887	598,900	605,000	6,100	...	647,000	42,000	...
4.—Stationery and Printing	443,776	414,200	441,000	26,800	...	430,000	...	11,000
5.—Political ...	505,228	396,000	463,000	67,000	...	432,000	...	31,000
6.—Allowces. and Assignts. ...	1,672,543	1,673,500	1,663,000	...	10,500	1,655,000	...	8,000
7.—Civil Furlough Allces. ...	235,990	238,100	233,000	...	5,100	233,000	...	...
8.—Superannuations ...	1,798,569	1,812,700	1,856,000	43,300	...	1,842,000	...	14,000
9.—Loss by Exchange ...	2,181,611	1,600,000	1,616,000	16,000	...	3,000,000	1,384,000	...
0.—Miscellaneous ...	249,622	202,600	200,000	...	2,600	276,000	76,000	...
1.—Famine Relief ...	2,145,431	1,425,000	5,234,000	3,809,000	...	500,000	...	4,734,000
TOTAL CIVIL ...	32,861,100	30,942,300	35,513,000	4,570,700	...	33,342,000	...	2,171,000
2.—Army ...	15,792,112	16,238,600	16,436,000	197,400	...	15,800,000	...	636,000
3.—Public Works Ordinary...	3,519,699	3,426,500	3,335,000	...	91,500	5,174,000	1,839,000	...
4.—Irrigation ...	537,200	543,100	548,000	4,900	...	562,000	14,000	...
5.—Guaranteed Railways ...	5,058,148	5,196,200	5,645,000	448,800	...	5,491,000	...	154,000
6.—State Railways ...	283,070	483,000	406,000	...	77,000	704,000	298,000	...
7.—Adjusting Payments to Provincial Govts. (Provincial Surpluses) ...	153,726	102,900	230,000	127,100	...	21,000	...	209,000
TOTAL ORDINARY ...	58,205,055	56,932,600	62,113,000	5,180,400	...	61,094,000	...	1,019,000
URPLUS	...	...	...	...	...	2,156,000	2,156,000	...
8.—Productive Public Works	3,809,284	3,628,000	4,877,000	1,249,000	...	4,555,000	...	322,000

W. WATERFIELD,
Offg. Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

II.

REVENUE AND EXPENDITURE OF THE GOVERNMENT

(*Distinguishing Revenue and Charges*

Estimates

REVENUE.	Accounts, 1876-77.	Budget Estimates, 1877-78.	Regular Estimates, 1877-78.	Increase.	Decrease.	Budget Estimates, 1878-79.	Budget Estimates, 1878-79, compared with Regular Estimates, 1877-78.	
							Increase.	Decrease.
CIVIL.	£	£	£	£	£	£	£	£
I.—Land Revenue ...	19,857,152	20,940,800	20,103,000	...	837,800	22,071,000	1,968,000	...
II.—Tributes	694,934	697,900	695,000	...	2,900	705,000	10,000	...
III.—Forest	598,687	579,200	629,000	49,800	...	682,000	53,000	...
IV.—Excise	2,528,045	2,561,700	2,502,000	...	59,700	2,750,000	248,000	...
V.—Assessed Taxes ...	310	...	90,000	90,000	...	765,000	675,000	...
VI.—Provincial Rates ...	...	...	213,000	213,000	...	3,316,000	3,103,000	...
VII.—Customs	2,488,345	2,486,900	2,630,000	143,100	...	2,480,000	...	150,000
VIII.—Salt	6,304,658	6,343,000	6,566,000	223,000	...	6,813,000	247,000	...
IX.—Opium	9,122,460	8,610,000	9,198,000	588,000	...	8,250,000	...	948,000
X.—Stamps	2,838,628	2,896,400	2,985,000	88,600	...	2,977,000	...	8,000
XI.—Mint	258,854	175,000	449,000	274,000	...	180,000	...	269,000
XII.—Post Office ...	794,328	825,900	841,000	15,100	...	872,000	31,000	...
XIII.—Telegraph ...	341,227	315,500	338,000	22,500	...	334,000	...	4,000
XIV.—Law and Justice ...	789,828	842,700	815,000	...	27,700	823,000	8,000	...
XV.—Police	64,277	70,000	76,000	6,000	...	69,000	...	7,000
XVI.—Marine	233,179	201,900	236,000	34,100	...	201,000	...	35,000
XVII.—Education ...	105,516	101,900	110,000	8,100	...	111,000	1,000	...
XVIII.—Interest	536,281	512,500	536,000	23,500	...	562,000	26,000	...
XIX.—Superannuation Contributions ...	607,242	597,400	620,000	22,600	...	598,000	...	22,000
XX.—Gain by Exchange ...	51,649	37,900	44,000	6,100	...	43,000	...	1,000
XXI.—Miscellaneous ...	411,025	279,300	339,000	59,700	...	262,000	...	77,000
XXII.—Army	925,473	892,000	912,000	20,000	...	895,000	...	17,000
XXIII.—Public Works, Ordy.	198,371	199,500	206,000	6,500	...	196 000	...	10,000
XXVII.—Provl. Contributions	45,894	415,100	8,000	...	407,100	...	...	8,000
XXVIII.—Adjusting Receipts from Provincial Governments (Provincial Deficits) ...	159,568	33,800	43,000	9,200	...	289,000	246,000	...
TOTAL ...	49,945,931	50,616,300	51,184,000	567,700	...	56,244,000	5,060,000	...
Revenue from Productive Public Works.								
XXIV.—Irrigation ...	523,100	551,600	599,000	47,400	...	642,000	43,000	...
XXV.—Guaranteed Railways	5,181,555	4,468,200	6,362,000	1,893,800	...	5,397,000	...	965,000
XXVI.—State Railways ...	371,691	674,800	537,000	...	137,800	967,000	430,000	...
Revenue from Productive Public Works	6,076,346	5,694,600	7,498,000	1,803,400	...	7,006,000	...	492,000
GRAND TOTAL REVENUE ...	56,022,277	56,310,900	58,682,000	2,371,100	...	*63,250,000	4,568,000	...
Deficit	2,182,778	621,700	3,431,000	2,809,300	...	...	...	3,431,000

Fort William;
FINANCIAL DEPARTMENT
The 18th March 1878.

EDWARD GAY,
Deputy Comptroller General.

i.

F INDIA IN INDIA AND IN ENGLAND.

Productive Public Works.)

878-79.

EXPENDITURE.	Accounts, 1876-77.	Budget Estimates, 1877-78.	Regular Estimates, 1877-78.	Increase.	Decrease.	Budget Estimates, 1878-79.	Budget Estimates, 1878-79, compared with Regular Estimates, 1877-78. Increase.	Decrease.
CIVIL.	£	£	£	£	£	£	£	£
1.—Interest on Debt ...	4,512,722	4,601,800	4,678,300	76,500	...	4,650,700	...	27,600
2.—Interest, other Accounts...	394,514	359,600	358,000	...	1,600	372,000	14,000	...
3.—Refunds and Drawbacks...	291,106	306,000	288,000	...	18,000	324,000	36,000	...
4.—Land Revenue ...	2,504,611	2,506,600	2,539,000	32,400	...	2,961,000	422,000	...
5.—Forest ...	436,181	418,300	450,000	31,700	...	479,000	29,000	...
6.—Excise ...	90,693	107,100	100,000	...	7,100	96,000	...	4,000
7.—Assessed Taxes ...	....	...	6,000	6,000	...	54,000	48,000	...
8.—Provincial Rates ...	...	...	...	...	...	43,000	43,000	...
9.—Customs	194,230	193,300	200,000	6,700	...	196,000	...	4,000
10.—Salt ...	488,480	518,700	531,000	12,300	...	520,000	...	11,000
11.—Opium ...	2,841,647	2,360,000	2,719,000	359,000	...	2,250,000	...	469,000
12.—Stamps ...	96,266	98,200	103,000	4,800	...	124,000	21,000	...
13.—Mint	130,601	89,200	132,000	42,800	...	110,000	...	22,000
14.—Post Office ...	859,783	894,300	901,000	6,700	...	942,000	41,000	...
15.—Telegraph ...	473,127	495,500	483,000	...	12,500	514,000	31,000	...
16.—Administration ...	1,474,095	1,423,200	1,468,000	44,800	...	1,463,000	...	5,000
17.—Minor Departments ...	320,138	322,800	324,000	1,200	...	550,000	226,000	...
18.—Law and Justice ...	3,275,821	3,294,400	3,300,000	5,600	...	3,299,000	...	1,000
19.—Police ...	2,158,032	2,095,000	2,124,000	29,000	...	2,368,000	244,000	...
20.—Marine ...	699,584	544,700	544,000	...	700	574,000	30,000	...
21.—Education ...	730,013	741,300	725,000	...	16,300	1,015,000	290,000	...
22.—Ecclesiastical ...	163,866	166,600	159,000	...	7,600	164,000	5,000	...
23.—Medical ...	596,887	598,900	605,000	6,100	...	647,000	42,000	...
24.—Stationery and Printing...	443,776	414,200	441,000	26,800	...	430,000	...	11,000
25.—Political ...	505,228	396,000	463,000	67,000	...	432,000	...	31,000
26.—Allowces. and Assigns. ...	1,672,543	1,673,500	1,663,000	...	10,500	1,655,000	...	8,000
27.—Civil Furlough Allowces.	235,990	238,100	233,000	...	5,100	233,000	...	...
28.—Superannuations ...	1,798,569	1,812,700	1,856,000	43,300	...	1,842,000	...	14,000
29.—Loss by Exchange ...	2,181,611	1,600,000	1,616,000	16,000	...	3,000,000	1,384,000	...
30.—Miscellaneous ...	249,622	202,600	200,000	...	2,600	276,000	76,000	...
31.—Famine Relief ...	2,145,431	1,425,000	5,234,000	3,809,000	...	500,000	...	4,734,000
32.—Army ...	15,792,112	16,238,600	16,436,000	197,400	...	15,800,000	...	636,000
33.—Public Works Ordinary...	3,519,699	3,426,500	3,335,000	...	91,500	5,174,000	1,839,000	...
37.—Adjusting Payments to Provincial Govts. (Provincial Surpluses) ...	153,726	102,900	230,000	127,100	...	21,000	...	209,000
EXPENDITURE ORDINARY...	51,430,704	49,665,600	54,444,300	4,778,700	...	53,078,700	...	1,365,600
Expenditure on Productive Public Works (Working Expenses and Interest).	...							
1.—Interest on Debt for Productive Public Works...	895,933	1,044,700	1,069,700	25,000	...	1,258,300	188,600	...
34.—Irrigation ...	537,200	543,100	548,000	4,900	...	562,000	14,000	...
35.—Guaranteed Railways ...	5,058,148	5,196,200	5,645,000	448,800	...	5,491,000	...	154,000
36.—State Railways ...	283,070	483,000	406,000	...	77,000	704,000	298,000	...
Expenditure on Productive Public Works (Working Expenses and Interest) ...	6,774,351	7,267,000	7,668,700	401,700	...	8,015,300	346,600	...
GRAND TOTAL ...	58,205,055	56,932,600	62,113,000	5,180,400	...	61,094,000	...	1,019,000
Surplus	...	...	...	...	...	2,156,000	2,156,000	...

W. WATERFIELD,
Offg. Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

The figures in italics show the results of the engagements between the Provincial Governments and the Imperial Government. Their effect appears in the Imperial accounts only in the surpluses payable to the Local Governments or deficits payable by the Local Governments.

III.

REVENUE AND EXPENDITURE OF THE PRO

REVENUES AND RECEIPTS.	Budget Estimates, 1877-78.	Regular Estimates, 1877-78.	Increase.	Decrease.	Budget Estimates, 1878-79.	Budget Estimates, 1878-79, compared with Regular Estimates, 1877-78.	
						Increase.	Decrease.
	£	£	£	£	£	£	£
I.—Land Revenue	13,300	712,200	698,900	...	723,300	11,100	...
IV.—Excise	...	1,668,500	1,668,500	....	1,761,200	92,700	...
V.—Assessed Taxes	...	90,000	90,000	...	765,000	675,000	...
VI.—Provincial Rates	...	213,000	213,000	...	3,310,200	3,097,200	...
VII.—Customs	1,200	16,700	15,500	...	15,900	...	800
VIII.—Salt	...	25,600	25,600	...	24,900	...	700
X.—Stamps	...	2,351,000	2,351,000	...	2,311,000	...	40,000
XII.—Post Office	...	...	...	...	...	...	...
XIV.—Law and Justice	501,800	711,200	209,400	...	719,200	8,000	...
XV.—Police	69,900	75,700	5,800	...	68,700	...	7,000
XVI.—Marine	2,660	151,200	148,600	...	115,100	...	36,100
XVII.—Education	101,100	108,700	7,600	...	109,200	500	...
XIX.—Superannuation Contributions ...	...	9,600	9,600	...	9,600	...	...
XXI.—Miscellaneous	95,300	209,400	114,100	...	185,100	...	24,300
XXIII.—Public Works, Ordy. ...	106,900	117,700	10,800	...	104,100	...	13,600
XXIV.—Canals	...	401,500	401,500	...	422,700	21,200	...
XXVI.—State Railways	...	62,300	62,300	...	171,800	109,500	...
XXVII.—Contributions	38,600	10,500	...	28,100	...	...	10,500
Allotments placed at the credit of the Provincial Governments from Imperial Resources	*5,029,400*	*4,988,000*	...	*41,400*	*4,898,400*	...	*89,600*
Total ...	5,960,100	11,922,800	5,962,700	...	15,715,400	3,792,600	...
XXVIII.—Deficits	33,800	42,900	9,100	...	289,000	246,100	...
GRAND TOTAL ...	5,993,900	11,965,700	5,971,800	...	16,004,400	4,038,700	...

Fort William;
Financial Department,
The 18th March 1878.

Edward Gay,
Deputy Comptroller General.

(*£1 = Rs. 10.*)

VINCIAL GOVERNMENTS AND ADMINISTRATIONS.

EXPENDITURE.	Budget Estimates, 1877-78.	Regular Estimates, 1877-78.	Increase.	Decrease.	Budget Estimates, 1878-79.	Budget Estimates, 1878-79, compared with Regular Estimates, 1877-78.	
						Increase.	Decrease.
	£	£	£	£	£	£	£
1.—*Interest on Debt**	...	*489,500*	*489,500*	...	*611,300*	*121,800*	...
Famine Insurance	...	...	...	...	*776,500*	*776,500*	...
2.—Interest other Accounts	400	...	...	400	...	...	...
3.—Refunds and Drawbacks	6,100	87,800	81,700	...	104,400	16,600	...
4.—Land Revenue	32,900	1,502,900	1,470,000	...	1,925,400	422,500	...
5.—Forest	800	1,100	300	...	1,200	100	...
6.—Excise	18,500	65,700	47,200	...	66,400	700	...
7.—Assessed Taxes	...	6,000	6,000	...	54,000	48,000	...
8.—Provincial Rates	...	...	...	...	42,400	42,400	...
9.—Customs	1,500	156,100	154,600	...	152,800	...	3,300
10.—Salt	100	67,200	67,100	...	60,200	...	7,000
12.—Stamps	100	56,300	56,200	...	56,200	...	100
14.—Post Office	26,100	27,800	1,700	...	127,500	99,700	...
16.—Administration	12,400	512,500	500,100	...	515,700	3,200	...
17.—Minor Departments	41,300	76,400	35,100	...	282,900	206,500	...
18.—Law and Justice	867,200	2,604,000	1,736,800	...	2,613,900	9,900	...
19.—Police	2,086,000	2,114,400	28,400	...	2,358,300	243,900	...
20.—Marine	2,200	118,500	116,300	...	117,400	...	1,100
21.—Education	734,300	711,800	...	22,500	1,002,200	290,400	...
22.—Ecclesiastical	4,300	32,300	28,000	...	33,400	1,100	....
23.—Medical	402,900	438,700	35,800	...	477,300	38,600	...
24.—Stationery and Printing	144,800	145,100	300	...	137,600	...	7,500
Ditto supplied from Central Stores ...	...	*120,600*	*120,600*	...	*125,800*	*5,200*	...
25.—Political	3,900	400	...	3,500	300	...	100
26.—Allowces. and Assignts.	...	654,800	654,800	...	653,600	...	1,200
28.—Superannuations	...	106,600	106,600	...	117,900	11,300	...
30.—Miscellaneous	94,500	113,200	18,700	...	198,700	85,500	...
33.—Public Works, Ordinary	1,410,700	1,273,100	...	137,600	3,015,000	1,741,900	...
34.—Canals	...	203,100	203,100	...	212,000	8,900	...
36.—State Railways	...	50,400	50,400	...	142,700	92,300	...
Total ...	5,891,000	11,736,300	5,845,300	...	15,983,000	4,246,700	...
37.—Surpluses	102,900	229,400	126,500	...	21,400	...	208,000
GRAND TOTAL ...	5,993,900	11,965,700	5,971,800	...	16,004,400	4,038,700	...

* Includes Imperial share of net profits from Canals and Railways.

W. WATERFIELD,
Offg. Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

IV.

RECEIPTS AND DISBURSEMENTS AT THE TREASURIES OF

RECEIPTS.	Accounts, 1876-77.	Budget Estimates, 1877-78.	Regular Estimates, 1877-78.	Increase.	Decrease.	Budget Estimates, 1878-79.	Budget Estimates, 1878-79, compared with Regular Estimates, 1877-78. Increase.	Decrease.
	£	£	£	£	£	£	£	£
I.—Balance ...	17,872,393	12,687,800	15,464,665	2,776,865	...	16,000,000	...	535,335
II.—Public revenue ...	56,022,277	56,310,900	58,682,000	2,371,100	...	63,250,000	4,568,000	...
III.—Local revenue ...	3,547,042	3,590,300	3,565,000	...	25,300	600,000	...	2,965,000
IV.—Service funds, civil ...	594,588	538,000	563,000	25,000	...	600,000	37,000	...
V.—Service funds, military	127	...	...	...	...	...	...	...
VI.—Loans to native states, corporations and individuals repaid ...	153,825	158,000	247,000	89,000	...	200,000	...	47,000
VII.—Savings banks' deposits	717,881	558,000	643,000	85,000	...	700,000	57,000	...
VIII.—Other deposits received & advances recovered	17,637,584	10,553,300	20,000,000	9,446,700	...	14,000,000	...	6,000,000
IX.—Local remittances ...	93,167	800,000	50,000	...	750,000	200,000	150,000	...
X.—Inter-provincial and inter-departmental transactions ...	16,756,537	17,000,000	21,000,000	4,000,000	...	20,000,000	...	1,000,000
XI.—Remittance account with the Home Treasury ...	1,927,735	1,170,000	1,288,000	118,000	...	1,300,000	12,000	...
XII.—Secretary of State's bills on India sold*	12,695,799	12,250,000	10,105,000	...	2,145,000	17,000,000	6,895,000	...
XIII.—Sundry obligations incurred ...	529,956	568,000	602,000	34,000	...	500,000	...	102,000
XIV.—Public debt incurred*	6,842,945	7,378,000	8,620,000	1,242,000	...	2,800,000	...	5,820,000
XV.—Guaranteed railway capital received ...	2,831,447	2,024,600	4,533,000	2,508,400	...	1,950,006	...	2,583,000
TOTAL ...	138,223,303	125,586,900	145,362,665	19,775,765	...	139,100,000	...	6,262,665

* The Estimates in this Statement of the amounts to be borrowed and to be supplied to the Home Treasury by Bills in 1878-79 are the that the Secretary of State will raise by Bills the exact amount stated;

Abstract of the above showing how the

ACCOUNTS, 1876-77.				REGULAR ESTI	
	£		£		£
Savings banks' deposits ...	40,741	Deficit of public revenue	5,992,062	Surplus of local revenue	565,000
Service funds, civil ...	153,348	Deficit of local revenue ...	128,320	Service funds, civil ...	23,000
Remittances	824,622	Service funds, military ...	283,269	Deposits received ...	2,000,000
Public debt incurred ...	4,750,145	Loans to native states, corporations and individuals	478,174	Public debt incurred ...	7,254,000
Balance reduced ...	2,407,728	Deposits repaid and advances made	145,710	Sundry obligations ...	123,000
		Guaranteed railway capital withdrawn ...	970,376	Guaranteed railway capital received	388,000
		Sundry obligations ...	183,673		
TOTAL ...	8,176,584	TOTAL ...	8,176,584	TOTAL ...	10,353,000

Fort William;
Financial Department,
The 18th March 1878.

EDWARD GAY,
Deputy Comptroller General.

HE GOVERNMENT OF INDIA IN INDIA AND IN ENGLAND.

(£1 = Rs. 10)

DISBURSEMENTS.	Accounts, 1876-77.	Budget Estimates, 1877-78.	Regular Estimates, 1877-78.	Increase.	Decrease.	Budget Estimates, 1878-79.	Budget Estimates, 1878-79, compared with Regular Estimates, 1877-78.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
1.—Whole Public expenditure	62,014,339	60,560,600	66,990,000	6,429,400	..	65,649,000	...	1,341,000
2.—Local expenditure ...	3,675,362	3,450,600	3,000,000	...	450,600	600,000	...	2,400,000
3.—Service funds, civil ...	441,240	457,000	540,000	83,000	...	500,000	...	40,000
4.—Service funds, military ...	283,396	283,300	297,000	13,700	...	281,000	...	16,000
5.—Loans advanced to native states, corporations and individuals ...	626,999	658,000	1,163,000	505,000	...	800,000	...	363,000
6.—Savings banks' deposits withdrawn ...	677,140	508,000	651,000	143,000	...	650,000	...	1,000
7.—Other deposits repaid and advances made ...	17,783,294	10,978,000	18,000,000	7,022,000	...	14,000,000	...	4,000,000
8.—Local remittances ...	17,738	800,000	630,000	...	170,000	200,000	...	430,000
9.—Inter-provincial and inter-departmental transactions ...	16,671,346	17,000,000	20,246,665	3,246,665	...	20,000,000	...	246,665
10.—Remittance account with the home treasury ...	1,579,555	1,216,200	1,423,000	206,800	...	1,270,000	...	153,000
11.—Secretary of state's bills on India paid ...	12,379,977	12,250,000	10,432,000	...	1,818,000	17,000,000	6,568,000	...
12.—Sundry obligations discharged ...	713,629	392,500	479,000	86,500	...	400,000	...	79,000
13.—Public debt discharged ...	2,092,800	878,000	1,366,000	488,000	...	300,000	...	1,066,000
14.—Guaranteed railway capital withdrawn ...	3,801,823	2,643,500	4,145,000	1,501,500	...	2,950,000	...	1,195,000
15.—Balance ...	15,464,665	13,511,200	16,000,000	2,488,800	...	14,500,000	...	1,500,000
TOTAL ...	138,223,303	125,586,900	145,362,665	19,775,765		139,100,000		6,262,665

est that can now be made; but they are subject to modification as the year goes on; the Government must not be understood to pledge itself r that the exact amount stated will be borrowed during the year.

Ways and Means are provided.

...ATES, 1877-78.		BUDGET ESTIMATES, 1878-79.			
	£		£		£
Deficit of public revenue	8,308,000	Service funds, civil ...	100,000	Deficit of public revenue	2,399,000
Service funds, military ...	297,000	Savings banks' deposits ...	50,000	Service funds, military ...	281,000
Loans to native states, corporations and individuals	916,000	Sundry obligations ...	100,000	Loans to native states, corporations and individuals	600,000
Savings banks' deposits withdrawn ...	8,000	Remittances ...	30,000	Guaranteed railway capital withdrawn ...	1,000,000
Remittances ...	288,665	Public debt incurred ...	2,500,000		
Balance increased ...	535,335	Balance reduced ...	1,500,000		
TOTAL ...	10,353,000	TOTAL ...	4,280,000	TOTAL ...	4,280,000

W. WATERFIELD,
Offg. Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

V.

REVENUE AND EXPENDITURE OF THE

Estimates,

REVENUE.	Accounts, 1876-77.	Budget Estimates, 1877-78.	Regular Estimates, 1877-78.	Increase.	Decrease.	Budget Estimates, 1878-79.	Budget Estimates, 1878-79 compared with Regular Estimates, 1877-78.	
							Increase.	Decrease.
CIVIL.	£	£	£	£	£	£	£	£
I.—Land Revenue ...	19,857,152	20,940,800	20,103,000	...	837,800	22,071,000	1,968,000	...
II.—Tributes	694,934	697,900	695,000	...	2,900	705,000	10,000	...
III.—Forest	598,687	579,200	616,100	36,900	...	682,000	65,900	...
IV.—Excise	2,523,045	2,561,700	2,502,000	...	59,700	2,750,000	248,000	...
V.—Assessed Taxes ...	310	...	90,000	90,000	...	765,000	675,000	...
VI.—Provincial Rates ...	...	...	213,000	213,000	...	3,316,000	3,103,000	...
VII.—Customs	2,483,345	2,486,900	2,630,000	143,100	...	2,480,000	...	150,000
VIII.—Salt	6,304,658	6,343,000	6,566,000	223,000	...	6,813,000	247,000	...
IX.—Opium	9,122,460	8,610,000	9,198,000	588,000	...	8,250,000	...	948,000
X.—Stamps	2,838,628	2,896,400	2,985,000	88,600	...	2,977,000	...	8,000
XI.—Mint	258,828	175,000	449,000	274,000	...	180,000	...	269,000
XII.—Post Office ...	794,828	825,900	841,000	15,100	...	872,000	31,000	...
XIII.—Telegraph ...	326,461	309,400	331,800	22,400	...	329,100	...	2,700
XIV.—Law and Justice ...	789,828	842,700	815,000	...	27,700	823,000	8,000	...
XV.—Police	64,277	70,000	76,000	6,000	...	69,000	...	7,000
XVI.—Marine	233,166	201,900	236,000	34,100	...	201,000	...	35,000
XVII.—Education	105,516	101,900	110,000	8,100	...	111,000	1,000	...
XVIII.—Interest	509,990	502,500	513,000	10,500	...	552,000	39,000	...
XIX.—Superannuation Contributions	512,591	505,900	520,200	14,300	...	501,000	...	19,200
XX.—Gain by Exchange ...	51,649	37,900	44,000	6,100	...	43,000	...	1,000
XXI.—Miscellaneous ...	368,733	267,300	291,600	24,300	...	249,000	...	42,600
TOTAL ...	48,438,586	48,956,300	49,325,700	869,400	...	54,739,100	4,913,400	...
XXII.—Army	882,940	845,000	854,700	9,700	...	850,000	...	4,700
XXIII.—Public Works, Ordy....	181,177	181,400	188,200	6,800	...	177,600	...	10,600
XXIV.—Irrigation ...	522,749	551,600	599,000	47,400	...	642,000	43,000	...
XXV.—Guaranteed Railways	5,181,555	4,468,200	6,362,000	1,893,800	...	5,397,000	...	965,000
XXVI.—State Railways ...	371,691	674,800	537,000	...	137,800	967,000	430,000	...
XXVII.—Provl. Contributions	45,894	415,100	8,000	...	407,100	...	...	8,000
XXVIII.—Adjusting Receipts from Provincial Governments (Provincial Deficits) ...	159,568	33,800	43,000	9,200	...	289,000	246,000	...
GRAND TOTAL ...	55,784,160	56,126,200	58,417,600	2,291,400	...	63,061,700	4,644,100	...

Fort William;
FINANCIAL DEPARTMENT,
The 18th March 1878.

EDWARD GAY,
Deputy Comptroller General.

GOVERNMENT OF INDIA IN INDIA.

1878-79.

(£1 = Rs. 10)

EXPENDITURE.	Accounts, 1876-77.	Budget Estimates, 1877-78.	Regular Estimates, 1877-78.	Increase.	Decrease.	Budget Estimates, 1878-79.	Budget Estimates, 1878-79, compared with Regular Estimates, 1877-78.	
							Increase.	Decrease.
CIVIL.	£	£	£	£	£	£	£	£
1.—Interest on Debt ...	3,091,692	3,160,000	3,256,000	96,000	...	3,280,500	24,500	...
2.—Interest, other Accounts	393,912	359,600	357,200	...	2,400	371,000	13,800	...
3.—Refunds and Drawbacks ...	291,106	306,000	288,000	...	18,000	324,000	36,000	...
4.—Land Revenue ...	2,502,119	2,502,200	2,534,400	32,200	...	2,958,100	423,700	...
5.—Forests	434,183	415,700	443,100	27,400	...	476,000	32,900	...
6.—Excise	90,629	107,100	95,000	...	12,100	96,000	1,000	...
7.—Assessed Taxes ...	...	...	6,000	6,000	...	54,000	48,000	...
8.—Provincial Rates ...	...	...	...	...	...	43,000	43,000	...
9.—Customs	194,219	193,300	200,000	6,700	...	196,000	...	4,000
10.—Salt	485,429	518,700	530,500	11,800	...	520,000	...	10,500
11.—Opium	2,841,644	2,360,000	2,717,200	357,200	...	2,249,000	...	468,200
12.—Stamps	71,136	72,300	74,000	1,700	...	74,300	300	...
13.—Mint	90,872	86,000	106,300	20,300	...	88,000	...	18,300
14.—Post Office	784,177	796,300	803,000	6,700	...	843,900	40,900	...
15.—Telegraph	371,446	394,100	393,700	...	400	377,700	...	16,000
16.—Administration ...	1,250,083	1,198,600	1,249,900	51,300	...	1,247,400	...	2,500
17.—Minor Departments ...	282,525	278,200	292,900	14,700	...	510,000	217,100	...
18.—Law and Justice ...	3,274,247	3,289,300	3,299,200	9,900	...	3,296,300	...	2,900
19.—Police	2,158,032	2,095,000	2,124,000	29,000	...	2,368,000	244,000	...
20.—Marine	518,988	399,900	389,600	...	10,300	411,300	21,700	...
21.—Education	729,403	740,700	724,100	...	16,600	1,014,400	290,300	...
22.—Ecclesiastical	161,126	165,200	157,000	...	8,200	162,900	5,900	...
23.—Medical	596,887	598,900	605,000	6,100	...	647,000	42,000	...
24.—Stationery and Printing...	250,152	285,500	239,600	4,100	...	232,000	...	7,600
25.—Political	490,544	326,500	383,300	56,800	...	398,700	15,400	...
26.—Allowces. and Assigns. ...	1,651,476	1,652,400	1,641,900	...	10,500	1,633,900	...	8,000
27.—Civil Furlough Allowces.	778	100	1,000	900	...	1,000	...	...
28.—Superannuations ...	578,006	576,700	602,000	25,300	...	588,000	...	14,000
29.—Loss by Exchange ...	2,181,611	1,600,000	1,616,000	16,000	...	3,000,000	1,384,000	...
30.—Miscellaneous ...	204,748	163,600	158,000	...	5,600	243,000	85,000	...
31.—Famine Relief... ...	2,144,927	1,425,000	5,223,500	3,798,500	...	500,000	...	4,723,500
TOTAL CIVIL ...	28,116,097	26,016,900	30,511,400	4,494,500	...	28,205,400	...	2,306,000
32.—Army	11,847,191	12,070,000	12,149,700	79,700	...	11,919,600	...	230,100
33.—Public Works Ordinary ...	2,985,258	3,323,800	3,238,000	...	85,800	5,049,500	1,811,500	...
34.—Irrigation	938,776	543,100	548,000	4,900	...	562,000	14,000	...
35.—Guaranteed Railways ...	371,397	504,200	960,000	455,800	...	742,000	...	218,000
36.—State Railways ...	324,847	483,000	406,000	...	77,000	704,000	298,000	...
37.—Adjusting Payments to Provincial Governments (Provincial Surplus)	153,726	102,900	230,000	127,100	...	21,000	...	209,000
TOTAL ORDINARY ...	44,737,292	43,043,900	48,043,100	4,999,200	...	47,203,500	...	839,600
38.—Productive Public Works	3,190,070	2,893,500	3,756,500	863,000	...	3,568,000	...	188,500

W. WATERFIELD,
Offg. Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

VI.

REVENUE AND EXPENDITURE OF THE HOME

Estimates,

REVENUE.	Accounts, 1876-77.	Budget Estimates, 1877-78.	Regular Estimates, 1877-78.	Increase.	Decrease.	Budget Estimates, 1878-79.	Budget Estimates, 1878-79, compared with the Regular Estimates, 1877-78.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
I.—Land Revenue ...	...	...	...	...	...	...	...	...
III.—Forest ...	...	...	12,900	12,900	...	...	...	12,900
XI.—Mint ...	26	...	...	...	...	...	...	...
XIII.—Telegraph ...	14,766	6,100	6,200	100	...	4,900	...	1,300
XVI.—Marine ...	13	...	...	...	...	...	...	...
XVIII.—Interest ...	26,291	10,000	23,000	13,000	...	10,000	...	13,000
XIX.—Superannuation Contributions ...	94,651	91,500	99,800	8,300	...	97,000	...	2,800
XXI.—Miscellaneous ...	42,292	12,000	47,400	35,400	...	13,000	...	34,400
TOTAL ...	178,039	119,600	189,300	69,700	...	124,900	...	64,400
XXII.—Army	42,533	47,000	57,300	10,300	...	45,000	...	12,300
XXIII.—Public Works, Ordy.	17,194	18,100	17,800	...	300	18,400	600	...
XXIV.—Irrigation ...	351	...	...	...	...	...	...	...
GRAND TOTAL ...	238,117	184,700	264,400	79,700	...	188,300	...	76,100

Fort William;
FINANCIAL DEPARTMENT
The 18th March 1878.

EDWARD GAY,
Deputy Comptroller General.

(£1 = Rs.10.)

TREASURY OF THE GOVERNMENT OF INDIA.

1878-79.

EXPENDITURE.	Accounts, 1876-77.	Budget Estimates, 1877-78.	Regular Estimates, 1877-78.	Increase.	Decrease.	Budget Estimates, 1878-79.	Budget Estimates, 1878-79, compared with Regular Estimates, 1877-78.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
1.—Interest on Debt ...	2,316,963	2,486,500	2,492,000	5,500	...	2,628,500	136,500	...
2.—Interest, other Accounts	602	...	800	800	...	1,000	200	...
4.—Land Revenue ...	2,492	4,400	4,600	200	...	2,900	...	1,700
5.—Forest	1,998	2,600	6,900	4,300	...	3,000	...	3,900
6.—Excise	64	...	5,000	5,000	...	...	...	5,000
9.—Customs	11	...	...	...	...	...	...	...
10.—Salt	3,051	...	500	500	...	...	...	500
11.—Opium	3	...	1,800	1,800	...	1,000	...	800
12.—Stamps	25,130	25,900	29,000	3,100	...	49,700	20,700	...
13.—Mint	39,729	3,200	25,700	22,500	...	22,000	...	3,700
14.—Post Office	75,606	98,000	98,000	...	...	98,100	100	...
15.—Telegraph	101,681	101,400	89,300	...	12,100	136,300	47,000	...
16.—Administration ...	224,012	224,600	218,100	...	6,500	215,600	...	2,500
17.—Minor Departments ...	37,613	44,000	31,100	...	13,500	40,000	8,900	...
18.—Law and Justice ...	1,574	5,100	800	...	4,300	2,700	1,900	...
20.—Marine	180,596	144,800	154,400	9,600	...	162,700	8,300	...
21.—Education	610	600	900	300	...	600	...	300
22.—Ecclesiastical	2,740	1,400	2,000	600	...	1,100	...	900
24.—Stationery and Printing ...	193,624	178,700	201,400	22,700	...	198,000	...	3,400
25.—Political ...	14,684	69,500	79,700	10,200	...	33,300	...	46,400
26.—Allowces. and Assignts. ...	21,067	21,100	21,100	...	...	21,100	...	...
27.—Civil, Furlough Allowces.	235,212	238,000	232,000	...	6,000	232,000	...	...
28.—Superannuations ...	1,220,563	1,236,000	1,254,000	18,000	...	1,254,000	...	...
30.—Miscellaneous... ...	44,874	39,000	42,000	3,000	...	33,000	...	9,000
31.—Famine Relief... ...	504	...	10,500	10,500	...	...	...	10,500
Total Civil ...	4,745,003	4,925,400	5,001,600	76,200	...	5,136,600	135,000	...
32.—Army	3,944,921	4,168,600	4,286,300	117,700	...	3,880,400	...	405,900
33.—Public Works Ordinary ...	87,877	102,700	97,000	...	5,700	124,500	27,500	...
Irrigation	3,211	...	...	...	...	...	...	...
State Railways	...	...	...	...	...	...	...	...
Guaranteed Railways ...	4,686,751	4,692,000	4,685,000	...	7,000	4,749,000	64,000	...
TOTAL ORDINARY ...	13,467,763	13,888,700	14,069,900	181,200	...	13,890,500	...	179,400
38.—Productive Public Works	619,214	734,500	1,120,500	386,000	...	987,000	...	133,500

W. WATERFIELD,
Offg. Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

VII.

RECEIPTS AND DISBURSEMENTS AT THE TREASURIES:

RECEIPTS.	Accounts, 1876-77.	Budget Estimates, 1877-78.	Regular Estimates, 1877-78.	Increase.	Decrease.	Budget Estimates, 1878-79.	Estimates, 1878-79, compared with Regular Estimates, 1877-78.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
I.—Balance	16,952,494	11,539,700	12,750,698	1,210,998	...	14,734,600	1,983,902	...
II.—Public revenue ...	55,784,160	56,126,200	58,417,600	2,291,400	...	63,061,700	4,644,100	...
III.—Local revenue ...	3,547,042	3,590,300	3,565,000	...	25,300	600,000	...	2,965,000
IV.—Service funds, civil ...	594,588	538,000	563,000	25,000	...	600,000	37,000	...
V.—Service funds, military	127	...	...	...	...	...	...	...
VI.—Loans to native states, corporations and individuals repaid ...	153,825	158,000	247,000	89,000	...	200,000	...	47,000
VII.—Savings banks' deposits...	717,881	558,000	643,000	85,000	...	700,000	57,000	...
VIII.—Other deposits received & advances recovered	17,518,721	10,549,300	19,937,800	9,388,500	...	13,996,000	...	5,941,800
IX.—Local remittances ...	93,167	800,000	50,000	...	750,000	200,000	150,000	...
X.—Inter-provincial and inter-departmental transactions ...	16,756,537	17,000,000	21,000,000	4,000,000	...	20,000,000	...	1,000,000
XI.—Remittance account with the Home Treasury ...	1,786,124	1,022,000	1,186,000	164,000	...	1,145,000	...	41,000
XIII.—Sundry obligations incurred ...	529,956	568,000	602,000	34,000	...	500,000	...	102,000
XIV.—Public debt incurred*	742,945	3,628,000	4,420,000	792,000	...	2,800,000	...	1,620,000
XV.—Guaranteed railway capital received ...	1,941,752	1,510,200	1,953,900	443,700	...	1,822,100	...	131,800
TOTAL ...	117,119,319	107,587,700	125,335,998	17,748,298		120,359,400		4,976,598

* The Estimates in this Statement of the amounts to be borrowed and to be supplied to the Home Treasury by Bills in 1878-79 are the that the Secretary of State will raise by Bills the exact amount stated; or that the exact amount stated

Abstract of the above showing how the

ACCOUNTS, 1876-77.				REGULAR ESTI	
	£		£		£
Surplus of Public Revenue ...	7,856,798	Deficit of local revenue...	128,320	Surplus of Public Revenue	6,618,000
Service funds, civil ...	153,348	Service funds, military ...	283,269	Surplus of Local Revenue	565,000
Savings banks' deposits ...	40,741	Loans to native states, corporations and individuals	473,174	Service funds, civil ...	23,000
Remittances ...	1,723,354	Deposits repaid and advances made ...	260,631	Other deposits received...	1,941,000
Guaranteed railway capital received ...	582,862	Secretary of state's bills paid	12,379,977	Remittances	925,002
Balance reduced ...	4,201,796	Sundry obligations ...	183,673	Sundry obligations ...	123,000
		Public debt discharged ...	849,855	Public debt incurred ...	3,054,000
TOTAL ...	14,558,899	TOTAL ...	14,558,899	Guaranteed railway capital received ...	387,900
				TOTAL ...	13,636,902

Fort William;
Financial Department
The 18th March 1878.

EDWARD GAY,
Deputy Comptroller General.

(£1 = Rs. 10)

OF THE GOVERNMENT OF INDIA IN INDIA.

DISBURSEMENTS.	Accounts, 1876-77.	Budget Estimates, 1877-78.	Regular Estimates, 1877-78.	Increase.	Decrease.	Budget Estimates, 1878-79.	Estimates 1878-79, compared with Regular Estimates, 1877-78. Increase.	Decrease.
	£	£	£	£	£	£	£	£
1.—Whole public expenditure	47,927,362	45,937,400	51,799,600	5,862,200	...	50,771,500	...	1,028,100
2.—Local expenditure ...	3,675,362	3,450,600	3,000,000	...	450,600	600,000	...	2,400,000
3.—Service funds, civil ...	441,240	457,000	540,000	83,000	...	500,000	...	40,000
4.—Service funds, military ...	283,396	283,300	297,000	13,700	...	281,000	...	16,000
5.—Loans advanced to native states, corporations and individuals ...	626,999	658,000	1,163,000	505,000	...	800,000	...	363,000
6.—Savings banks' deposits withdrawn ...	677,140	508,000	651,000	143,000	...	650,000	...	1,000
7.—Other deposits repaid and advances made ...	17,779,352	10,974,000	17,996,800	7,022,800	...	13,996,000	...	4,000,800
8.—Local remittances ...	7,738	800,000	630,000	...	170,000	200,000	...	430,000
9.—Inter-provincial and inter-departmental transactions ...	16,671,346	17,000,000	20,246,665	3,246,665	...	20,000,000	...	246,665
10.—Remittance account with the home treasury ...	223,390	117,000	434,333	317,333	...	157,900	...	276,433
11.—Secretary of state's bills on India paid ...*	12,379,977	12,250,000	10,432,000	...	1,818,000	17,000,000	6,568,000	...
12.—Sundry obligations discharged ...	713,629	392,500	479,000	86,500	...	400,000	...	79,000
13.—Public debt discharged ...	1,592,800	878,000	1,366,000	488,000	...	300,000	...	1,066,000
14.—Guaranteed railway capital withdrawn ...	1,358,890	1,381,900	1,566,000	184,100	...	1,633,800	267,800	...
15.—Balance ...	12,750,698	12,500,000	14,734,600	2,234,600	...	13,069,200	...	1,665,400
TOTAL ...	117,119,319	107,587,700	125,335,998	17,748,298	...	120,359,400	...	4,976,598

best that can now be made; but they are subject to modification as the year goes on; the Government must not be understood to pledge itself will be borrowed during the year; or that it will be borrowed in India or in England as the case may be.

Ways and Means are provided.

MATES, 1877-78.		BUDGET ESTIMATES, 1878-79.			
	£		£		£
Service funds, military ...	297,000	Surplus of Public revenue	12,290,200	Service funds, military ...	281,000
Loans to native states, corporations and individuals	91,000	Service funds, civil ...	100,000	Loans to native states, corporations and individuals	600,000
Savings Banks' deposits withdrawn	8,000	Savings banks' deposits ...	50,000	Secretary of state's bills paid ...	17,000,000
Secretary of state's bills paid ...	10,432,000	Remittances ...	987,100		
Public debt discharged ...		Sundry obligations ...	100,000		
Balance increased ...	1,983,902	Public debt incurred ...	2,500,000		
		Guaranteed railway capital received ...	188,300		
		Balance reduced ...	1,665,400		
TOTAL ...	13,636,902	TOTAL ...	17,881,000	TOTAL ...	17,881,000

W. WATERFIELD,
Offg. Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

VIII.

RECEIPTS AND DISBURSEMENTS AT THE HOME

RECEIPTS.	Accounts, 1876-77.	Budget Estimates, 1877-78.	Regular Estimates, 1877-78.	Increase.	Decrease	Budget Estimates, 1878-79.	Estimates, 1878-79, compared with Regular Estimates, 1877-78.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
I.—Balance ...	919,899	1,148,100	2,713,967	1,565,867	...	1,265,400	...	1,448,567
II.—Public revenue ...	238,117	184,700	264,400	79,700	...	188,300	...	76,100
VIII.—Other deposits received and advances recovered ...	118,863	4,000	62,200	58,200	...	4,000	...	58,200
XI.—Remittance account with the Home Treasury ...	141,611	148,000	102,000	...	46,000	155,000	53,000	...
XII.—Secretary of State's bills on India sold*	12,695,799	12,250,000	10,105,000	...	2,145,000	17,000,000	6,895,000	...
XIV.—Public debt incurred*	6,100,000	3,750,000	4,200,000	450,000	...	...	...	4,200,000
XV.—Guaranteed railway capital received ...	889,695	514,400	2,579,100	2,064,700	...	127,900	...	2,451,200
TOTAL ...	21,103,984	17,999,200	20,026,667	2,027,467	...	18,740,600	...	1,286,067

* The Estimates in this Statement of the amounts to be borrowed and to be supplied to the Home Treasury by Bills in 1877-78 are the best the Secretary of State will raise by Bills the exact amount stated; or that the exact amount stated will

Abstract of the above showing how the

ACCOUNTS, 1876-77.				REGULAR EST	
	£		£		£
Secretary of State's Bills sold ...	12,695,799	Deficit of revenue ...	13,848,860	Secretary of State's Bills sold ...	10,105,000
Deposits received and advances recovered ...	114,921	Remittances ...	1,214,554	Public debt incurred ...	4,200,000
Public debt incurred ...	5,600,000	Guaranteed railway capital withdrawn ...	1,553,238	Deposits received and advances recovered ...	59,000
		Balance increased ...	1,794,068	Guaranteed railway capital received ...	100
				Balance reduced ...	1,448,567
TOTAL ...	18,410,720	TOTAL ...	18,410,720	TOTAL ...	15,812,667

FOR WILLIAM;
INANCIAL DEPARTMENT,
The 18th March 1878.

EDWARD GAY,
Deputy Comptroller General.

TREASURY OF THE GOVERNMENT OF INDIA.

(£1 = Rs. 10)

DISBURSEMENTS.	Accounts, 1876-77.	Budget Estimates, 1877-78.	Regular Estimates, 1877-78.	Increase.	Decrease.	Budget Estimates, 1878-79.	Estimates, 1878-79, compared with Regular Estimates, 1877-78.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
1.—Public expenditure ...	14,086,977	14,623,200	15,190,400	567,200	...	14,877,500	...	312,900
7.—Other deposits repaid and advances made ...	3,942	4,000	3,200	...	800	4,000	800	...
0.—Remittance account with the Home Treasury ...	1,356,165	1,099,200	988,667	...	110,533	1,112,100	123,433	...
3.—Public debt discharged ...	500,000	...	...	...	...	...	...	...
4.—Guaranteed Railway capital withdrawn ...	2,442,933	1,261,600	2,579,000	1,317,400	...	1,316,200	...	1262,800
5.—Balance ...	2,713,967	1,011,200	1,265,400	254,200	...	1,430,800	165,400	...
TOTAL ...	21,103,984	17,999,200	20,026,667	2,027,467	...	18,740,600	...	1,286,067

it can now be made; but they are subject to modification as the year goes on; the Government must not be understood to pledge itself that borrowed during the year; or that it will be borrowed in India or in England as the case may be.

Ways and Means are provided.

ATES, 1877-78.		BUDGET ESTIMATES, 1878-79.			
	£		£		£
DEFICIT OF REVENUE ...	14,926,000	SECRETARY OF STATE'S BILLS SOLD ...	17,000,000	DEFICIT OF REVENUE ...	14,689,200
REMITTANCES ...	886,667			REMITTANCES ...	957,100
				GUARANTEED RAILWAY CAPITAL WITHDRAWN ...	1,188,300
				BALANCE INCREASED ...	165,400
TOTAL ...	15,812,667	TOTAL ...	17,000,000	TOTAL ...	17,000,000

W. WATERFIELD,
Offg. Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

APPENDIX A.

Extract from speech by the HON'BLE SIR JOHN STRACHEY, *in the Legislative Council of the Governor General of India, on the 9th February 1878.*

A desire has been expressed that I would explain more fully, than has hitherto been done, the manner in which the Government proposes to apply the proceeds of these new taxes. I shall, I feel certain, be very readily able to do this to the satisfaction of the Council, for nothing can be clearer than the principles on which the Government proposes to act.

I can hardly do better, in the first place, than ask the Council to look at the brief official Statement of Objects and Reasons, which was published with the new Taxation Bills when they were first introduced. That Statement explained, in a few words, the reasons for these measures. It was said that the necessity was imposed upon the Government of India of bringing the public revenues and expenditure into a state of proper equilibrium; that famines could no longer be treated as exceptional calamities; and that the obligations entailed by them must be provided for among the ordinary charges of the State. The periodical occurrence of famine must, therefore, enter into the calculation of the Government in making provision for its ordinary yearly wants, and such a surplus of ordinary income over expenditure must be provided in each year of prosperity, as would make a sensible impression on the debt which it might be necessary to incur in times of famine. To enable the Government, it was said, to meet these obligations, additional taxation was necessary.

The object which I thus stated is a perfectly simple one. These new taxes are required for the sole purpose of giving us, year by year, a sufficient surplus of income over expenditure to meet these famine charges, which had not hitherto been taken into consideration in our yearly accounts. It seems to have been supposed by some that the primary object of the Government of India was to give to the Local Governments the proceeds of these new taxes, and to transfer to them, in some mysterious manner, certain indefinite obligations in relation to the future charges arising from famine. There could be no greater mistake, and I am sure that I have never said anything to justify it. These great calamities can only be met by aid of the resources of the Government of India, and it is these resources that must be strengthened to meet the obligations they impose. Although then, as I shall presently explain, we shall use the Local Governments as our agents in levying these taxes, their proceeds will mainly go into the Imperial Treasury. With their help we hope to secure that surplus revenue, which will enable us in the future to discharge the heavy obligations which the periodical occurrence of famine entails upon the country, without being driven into the fatal course of constantly increasing the public debt, and the burden it involves.

As I previously explained, we start with the hypothesis, that in every ten years the Government of India will have to spend £15,000,000 on the relief of famine. The case will be put into its simplest form, if we assume that the whole of the £15,000,000 will have to be spent at once at the end of this period, and the arguments I am about to use will not be in any way invalidated by this assumption, though it be not strictly true. Now, as the very foundation of our policy is the resolution not to permit this expenditure to create a constantly increasing charge for interest, the expedient of simply borrowing when the occasion occurs, and thus increasing the annual charges on account of debt, say, by £600,000 in each period of ten years must, of course, be set aside; and it follows that we can only obtain the £15,000,000 which we require by saving up an equivalent sum in years of prosperity. If we provide for this purpose a *bonâ fide* surplus of £1,500,000 a year for ten years, we shall have obtained our £15,000,000.

As we cannot keep our annual savings locked up in a separate box, it is inevitable that when the actual necessity for spending the £15,000,000 arrives, we shall have to borrow the money, so that what we have practically to do is this—we must reduce our debt by £1,500,000 year by year during the whole period, or by £15,000,000 in the ten years, thereby reducing the yearly charge for interest at the end of that time by £600,000. Then, when the necessity for spending the £15,000,000 arrives, we can borrow that amount and incur a fresh charge for interest of £600,000 a year, and be no worse off than we were ten years before. This process, by which in periods of prosperity the charge for interest on debt is gradually reduced, thus constantly restoring the exhausted power of borrowing without increased taxation, is what the Government virtually proposes to adopt.

In India, however, the policy has been deliberately and wisely accepted of borrowing every year large sums of money for the construction of the railways and canals which it is absolutely necessary that the country should possess if its material advancement is not to be arrested. Even if the financial consequences of this policy had been less satisfactory than they have been, it might still have been our duty to persevere in it, though it should have called for increased sacrifices from the country in the form of taxation. But experience has shown beyond the shadow of a doubt that, looking at the matter even from a purely financial point of view, we could have done nothing wiser and more profitable than go on investing capital in these undertakings; and that so long as these investments are prudently limited, as they have been up to

the present time, so that the growing income derived from the works keeps pace with the charge for interest on the borrowed funds, they may be continued with complete financial safety.

It was on considerations such as these that Lord Lawrence in 1869, in his minute on Railway extension, assuming that the revenues could, without objection, bear a yearly charge of about 1¾ millions, to meet the interest on Capital outlay on productive works in course of construction, &c., during the period in which their income is become developed, based his proposals for the gradual, but systematic, prosecution of this class of works, and that the Government of India has been since acting with most satisfactory results. The forecasts relating to the extraordinary expenditure on Railways and Irrigation Works that have from time to time been prepared in the Public Works Department have supplied sufficient evidence of the prudence with which this part of our financial policy has been conducted, and it is only necessary to follow the same principles in the future to ensure equally sound results.

The truth of these remarks can readily be established. In the first place, the net charge for the interest on the Guaranteed Railway Capital which was upwards of 1¾ millions sterling in 1870-71, was reduced by the growth of the income to less than £300,000 in 1876-77, while in the present financial year, partly no doubt from the increased famine traffic, the interest will be more than covered. And though next year quite so good a result cannot be anticipated, it is certain that in these six years a net improvement of more than 1¼ millions has been secured for the public revenues by reason of these works. During the same period the total expenditure on State Railways has reached a sum involving a gross charge for interest now amounting to £700,000, against which we already have a net income of £300,000 yearly, leaving a net charge of £400,000. The Irrigation Works carried out in the same years have led to an increase of interest charge of £400,000 set off by an increased net income of £200,000, leaving a net charge of £200,000. On the whole, setting off the increased charge of £600,000 against the improved income of 1¼ millions, the general result is an improved financial position of £600,000 a year, notwithstanding the large investments made in the new works, a considerable part of which is necessarily not yet productive, though it is rapidly becoming so.

The same general result is plainly indicated otherwise by the fact that the total charge for Interest on Debt of all sorts and Guaranteed Railway Capital is in the present year less than the charge in 1870-71 by about 2 millions, to which sum should be added the net increase of income due to Public Works, amounting, say, to £500,000, to show the improvement in the general financial position, which, if not directly due to the prosecution of these works, has, at all events, been consistent with a continued average expenditure upon them of hardly less than 4 millions a year. It must also be remembered that these results have been secured during a period in which very exceptional seasons of scarcity have occurred, involving charges of some 16 millions sterling.

We assume, therefore, that the Government will continue to borrow money on these principles for such productive works.

Now, it would be obviously absurd to pay off every year debt to the amount of £1,500,000, and simultaneously to incur fresh debt to the same extent. What, therefore, we have to do in the actual circumstances of the case, is, by applying to the construction of these works the proceeds of the new taxes, to reduce by £1,500,000 a year, the sum which we might otherwise have borrowed. The ultimate financial result of this, as will readily be seen, will be practically the same as that which would have followed if we had devoted every year £1,500,000 to the actual repayment of debt. For returning to our former hypothesis, we shall, at the end of our ten years, thus have prevented borrowing to the extent of £15,000,000, and our annual charge for interest will then be less by £600,000 a year than it would otherwise have been. We could, therefore, if occasion required, borrow £15,000,000 for the relief of famine, and be in no worse a financial position than we were at the beginning of the period of ten years.

The soundness of this argument depends, of course, on the assumption that the works which are constructed from our annual contribution of £1,500,000 from the public revenues will be really reproductive, that is, that they will at the end of the ten years produce an income at least equal to the interest which we should have to pay if we had then to replace by borrowing a sum equal to that furnished from the new taxes for their construction. This assumption, however, has no special or peculiar significance in connection with these new arrangements; it is (as I have just explained) the justification of our whole policy of borrowing money for works of public improvement. Whether we construct our railways and canals with borrowed capital, or pay for them out of this famine insurance fund, we equally assume that they will eventually give us a return of more than the ordinary charge for interest on the outlay; and to repeat what I had said before, experience has now been sufficiently prolonged to show conclusively that, notwithstanding all the mistakes that have been made, the gradual growth of the income of the productive public works has been sufficient to protect the Imperial Treasury against any increase to the actual charge for interest on debt. This explanation will show the Council how, either by the direct discharge of debt, or by the investment of money in productive works, if the circumstances of the time should render that course most suitable, charges on the revenue may be extinguished, or new income created, which shall enable the Government to borrow in the future to the full extent to which the proceeds of the new taxes are applied, and that a true famine insurance fund will thus have been created.

APPENDIX B.

No. 81 (Statistics and Commerce), dated India Office, London, 7th June 1877.

From—Her Majesty's Secretary of State for India,
To—The Government of India.

I shall be glad to receive, when the Customs Accounts for the year 1876-77 are completed, a return showing, in as great detail as can be given, the amount of revenue received under each article (not merely each group of articles) specified in the Tariff.

	Rs.
* Grain and pulse ...	1
Machinery ...	2
Rape seed ...	2
Fish maws ...	2
Printing materials ...	3
Hog's lard ...	3
Fresh vegetables ...	6
Shark fins ...	7
Saltpetre ...	9
Hemp bags ...	11
Parts of ships ...	11
Feathers ...	15
Poppy seeds ...	16
Ornamental woods ...	31
Linseed ...	32
Jute, rope, and twine ...	35
Safflower ...	39
Cardamoms ...	39
Opium ...	49
Raw wool ...	51
Ginger ...	64
Lac, "other" kinds ...	91
Wood manufactures ...	92
Borax ...	93
Mustard seed ...	138
Building materials ...	152
Cinnamon ...	169
Raw coir ...	184
Penalty duties ...	187
Jute cloth and other manufactures.	187
Cassia ...	243
Hemp cloth ...	246
Duties collected at Cambay	248
Aloes ...	260
Galangal ...	263
Essential seeds ...	333
Quince seed ...	414
Myrabolams ...	508
Animal oils ...	533
Indigo ...	637
Flour ...	768
Cotton canvas ...	781
Paste-board and mill-board	801
Liquors, "other" ...	1,251
Military uniforms, &c. ...	1,358
Essential oils ...	1,555
Shot and shell of lead ...	1,690
Sajeera seed ...	1,799
Rosin ...	2,179
Raw caoutchouc ...	2,249
Baggage of passengers ...	2,464
Brimstone ...	2,629
Ivory manufactures ...	2,669
Assafœtida ...	2,888
Tobacco, unmanufactured	2,913
Telegraph materials ...	2,919
Seeds, "other" kinds ...	3,062
Hides, tanned ...	3,440
Nutmegs ...	3,657
Leather, unmanufactured	3,840
Butter ...	3,846
Teel seed ...	3,924
Saffron ...	3,996
Coir manufactures ...	4,122
Cotton manufactures, "other" sorts.	4,390
Plate ...	4,418
Madder ...	4,612
Wall-paper ...	4,966

2. An examination of the monthly statements of the trade of British India from November 1875 to October 1876, that is for twelve months after the Tariff Act of 1875 came into operation, shows the receipts from the duty on the importation of a large number of articles to have been those given in the margin. In drawing the attention of Your Excellency to this return, I feel it necessary to say that I have observed with some surprise the long list of articles still retained on the Indian Tariff, the duties derived from which are actually not worth collecting. There are, doubtless, special reasons for the maintenance of the duty on opium; and with regard to a few of the minor articles which have been already removed from the Tariff, I presume that the amount received is in payment of duty incurred before the Tariff Act came into force. Without, however, entering into these considerations, and speaking generally, there appears to be no possible room for doubt as to the inexpediency of retaining on the Import Tariff the few articles which individually yield less than Rs. 10, or the 14 articles yielding each less than Rs. 100, or the 17 articles yielding less than Rs. 1,000; and some question may arise even as to the 25 articles, none of which give so much as Rs. 5,000. There is also an unspecified number of "other" unmanufactured articles, together bringing in a receipt of Rs. 452. The whole amount at stake in excluding these 65 or 70 articles would be Rs. 84,592, or less than £8,500.

3. I consequently request that this subject may receive Your Excellency's attention, and that at a convenient time the propriety of excluding from the Tariff items that will not be productive of revenue may be considered.

APPENDIX C.

No. 124 (Statistics and Commerce), dated India Office, London, 23rd August 1877.

From—Her Majesty's Secretary of State for India,
To—The Government of India.

In continuation of my despatch, dated the 31st of May 1876, No. 9 (Separate Revenue), I forward a copy of a memorial* from the Council of the East India Association, and of a reply† thereto by Mr. Raynsford Jackson on behalf of the Associated Committees of Employers and Workmen in the cotton manufacturing districts, respecting the abolition of the duties on the importation of cotton goods and yarns into India.

* Dated 27th June 1877.

† Dated 6th July 1877.

2. Your Excellency is well aware of the great importance attached by Her Majesty's Government to the gradual reduction of these duties at the earliest period that is not inconsistent with the financial requirements of your administration.

Dated Westminster, 27th June 1877.

To—The MOST HONOURABLE THE MARQUIS OF SALISBURY, *Her Majesty's Secretary of State for India in Council.*

The Memorial of the Council of the East India Association.

MOST RESPECTFULLY SHEWETH.—That great anxiety appears to exist in the minds of a large number of the natives of India in respect to the persistent endeavours which are being made by a very influential body in England to obtain from the Government the abolition, at the earliest possible period, of the 5 per cent. *ad valorem* duty now levied in India on the importation of cotton goods.

That the only arguments adduced in favour of the abolition are, that the duty in question is, in its nature, a protective duty, and that its abolition would therefore be a boon to the people of India at large in their capacity of consumers of British cotton goods.

That it has recently been shown, however, in a very able letter addressed by Mr. Soorabjee Shapoyee Bengallee, a member of the Legislative Council of Bombay, to the Viceroy, that the cotton goods of India and those of England have so little in common, that it is only to an almost inappreciable extent that they can come at all into competition with each other, the whole of the cotton goods of Manchester, with very trifling exceptions, being above all effective rivalry at the hands of the Indian manufacturer, while the cotton goods turned out by the latter, owing to their comparative coarseness and cheapness, are for the most part outside the range of competition on the part of Manchester. The only real competition that exists appears to be a competition between the mill-owners of India and the hand-loom weavers there.

There being thus no appreciable competition between the cotton goods of Manchester and those of India respectively, the whole argument, based on the allegation that the import duty levied in India is a protective duty, of course falls to the ground, and this has been clearly admitted by the Tariff Committee appointed by the Government of India. It would, indeed, be difficult so to characterise, under any circumstances, so small a duty as a 5 per cent. *ad valorem* duty—an amount not very greatly in excess of that retained on the importation of corn into Great Britain when the corn laws were abolished.

That with the argument based on the charge that the duty is a protective duty, there also falls to the ground the argument based on the assumption that the remission of the duty would be a boon to the people of India at large in their capacity of consumers of Manchester cotton goods. For nothing can be clearer than that, Manchester having the command of the Indian market so far as its own products are concerned, the greater part of the duty so remitted would find its way into the pockets of the Manchester mill-owners in the shape of additional profits, and not, in the shape of lower prices, into the pockets of the consumers in India.

That this will probably not be denied by the Manchester advocates of the abolition of the duty, the proposition being self-evident. Indeed, it would be but a poor compliment to their well known intelligence to suppose that they would take all the trouble they are taking, and have taken, for the purpose of forcing on the people of India a measure which the latter do not want, and wholly fail to appreciate, unless they were themselves to reap some substantial benefit from it.

That the case being as stated, it appears to your memorialists that, even if the finances of India were in so flourishing a condition that a sacrifice could be made of the £800,000 sterling per annum which this duty amounts to, there could still be no valid reason for selecting for abolition a duty than which none, in their opinion, could be more legitimate.

That, in support of this assertion, they would beg to remind Your Lordship that the state of things which enables Manchester to find a market for its goods in India to so vast an extent as is indicated by the duty, *viz.*, £16,000,000 sterling worth annually, has not been brought about without an immense expenditure by the Government and the people of India, expenditure in the shape of harbours and roads, police, and well-ordered legal tribunals, protection from external attack, and the maintenance of internal order, the development, to a high degree of the country's resources, and the numberless other items which it were needless to go on enumerating. Of all this expenditure, the Manchester mill-owner who sends his goods to India reaps his full share of the benefit in the shape of the secure and extensive market thus provided for him there, while, if it were not for this trifling duty levied on his fabrics, he would absolutely contribute nothing whatever towards it.

That it was on this very ground—that of the justice of compelling a trader to contribute something towards the expenditure of a country he exports to in protecting and facilitating his commerce—that Adam Smith, the great apostle of free trade, advocated the reasonableness of levying a moderate customs duty on imported goods, while denouncing the imposition of prohibitory or protective tariffs intended to give a monopoly to indigenous producers.

That your memorialists think it very natural that the natives of India should, under these circumstances, be so strongly opposed to the abolition of this duty, even if the finances of India were in such a condition as to enable the Government to dispense with the money it produces, but the finances of India being as they are, they have double reason to protest against a measure which would obviously necessitate the laying on them of new burthens.

That the burthens they have to bear, as it is, are very heavy, and in some instances, as, for example, the salt tax, may, without exaggeration, be called oppressive—a tax which not only presses very severely on the working classes of India generally, but is also very destructive to the cattle, which are the mainstay of the Indian cultivator, so much so, indeed, that it has been estimated by Europeans who have had practical experience as planters in India that the virtual prohibition of the use of salt as a cattle condiment, owing to its dearness, occasioned by the enormous duty on it, has had much to do with the frequent murrains there that carry off the cattle by thousands, and give a blow to the agriculture of the districts affected which it requires years for them to recover from.

That besides this there are other imposts, though not of so objectionable a nature, the only valid excuse for the retention of which is the impossibility of doing without them; and your memorialists cannot therefore be surprised if the natives who have called their attention to this matter should oppose so strongly the selection of a duty for abolition which is in itself so fair a one, which represents all that is contributed to the Indian Exchequer by the English exporters thither of goods to the value of £16,000,000 sterling per annum, and which, if abolished, would necessitate the simultaneous imposition of new taxes of equal amount upon the already heavily-taxed people of India. To strip the matter of all confusing phraseology, it would be simply to take from the people of India £800,000 sterling per annum, in addition to what they already pay, in order to increase the profits on their Indian trade of the cotton manufacturer of Manchester.

That if the natives of India had any representation in Parliament, and more especially if they had any representation at all commensurate with their numbers, their importance, or the £50,000,000 sterling they pay into the Indian Treasury annually, they might safely be left to fight their own battles with Manchester in that assembly; but as it is, excluded as they are from all voice in the management of their own affairs, the case seems to be peculiarly one in which the greatest care and deliberation are requisite before coming to any final decision upon it; for nothing could be more deplorable than that a feeling should arise among them that their interests were sacrificed to the interests of Manchester, and the more powerful, politically and commercially, those interests are, the more important it seems to your memorialists that all ground should be taken away for the possible creation of any such impression.

That your memorialists venture to think that nothing could be more conducive to the avoidance of such a danger, than for the Government to institute a full and searching inquiry into the whole subject before coming to any final decision in regard to the policy to be pursued in respect of it. This might be done by means of a Commission impartially selected and sitting with open doors at Bombay—the chief seat of the British cotton trade with India, as well as of the Indian cotton manufacturing industry. Before it might be examined all the Natives who had any evidence to offer, as well as the European representatives of the great Manchester houses in India, and the result would be, doubtless, a mass of information which would effectually set the matter in its true light, and enable Your Lordship to arrive at a conclusion beyond the reach of cavil or question on either side.

Your memorialists, therefore, most respectfully pray that this, or some other equally satisfactory method, may be adopted, with a view of finally terminating an agitation which at any time would be most undesirable, but which is particularly so at a moment when it is of the utmost importance that England and India should be cordially, as well as politically, united.

And your memorialists will ever pray.

Dated Blackburn, 6th July 1877.

To—The MOST HONOURABLE THE MARQUIS OF SALISBURY, *Her Majesty's Secretary of State for India in Council.*

The Associated Committees of Employers and Workmen representing the Public Meetings held in the Cotton Manufacturing Districts, to secure the Abolition of the Indian Import Duties on Cotton Goods and Yarns.

MY LORD MARQUIS,—On behalf of the above Associations, I have the honour to ask your attention to the following answer to the memorial addressed to Your Lordship by the Council of the East India Association.

The argument of the memorial is based upon three assumptions. I shall endeavour to shew that all three are incorrect, and that consequently the memorial itself is a superstructure without solid foundation:—

The 1st is, that there is no appreciable competition between the cotton goods of Manchester and those of India respectively, and that "the only real competition that exists appears to be a competition between the mill-owners of India and the hand-loom weavers there."

The 2nd, that a 5 per cent. duty is so small that it would be difficult to characterise it as a protective duty.

The 3rd, that a Commission sitting in India and taking the evidence of "Natives" and "European representatives of the great Manchester houses in India," would be able to acquire such information as would "enable Your Lordship to arrive at a conclusion beyond the reach of cavil or question on either side."

1st.—"That there is no appreciable competition between the cotton goods of Manchester and those of India respectively," &c., &c.

It seems probable that the India Association is ignorant of the existence of Your Lordship's Despatch to the Viceroy of India, dated the 31st May 1876, as it has made no attempt to answer the arguments advanced therein, but has repeated in almost synonymous terms the fallacies so effectually exposed. I cannot, therefore, do better than ask Your Lordship's re-perusal of paragraphs 23 to 36 of that Despatch. Paragraphs 23 and 24 shew, on the authority of the Bombay Chamber of Commerce, that, comparing the three years 1858, 1859, and 1860 with the three years 1872, 1873, and 1874, a most serious decline had taken place in the British export to Bombay of the class of goods made in the Bombay mills concurrently with a very large increase in that of the finer goods not made in the Native mills.

These facts may be accepted as proving that there is a real competition between the productions of the English and Indian mills for the supply of coarse goods to India.

As regards the medium class of goods, which compose nearly two-thirds of our Indian exports, I admit that the Indian mills are not at present making them extensively, the reason being that they are fully employed in manufacturing the coarser fabrics, on which the transit charges and the duty tell the most heavily in favour of the Native manufacturer and against the importer. Their power to make these goods out of indigenous cotton has, however, been proved, and samples so made have been exhibited in England.

The English manufacturers, moreover, produced the medium, or shirting, class of goods out of Indian cotton without admixture with other growths, during the American war; and I have no hesitation in saying that when the factory industry of India has so extended as to over-supply the demand for coarse fabrics, the Native manufacturer will supplant the British in the supply of the Indian markets with the finer goods.

It is not unimportant that the same opinion has recently been given by an Indian manufacturer interested in more than one Indian mill.

2nd.—The statement that a 5 per cent. duty is so small that it would be difficult to characterise it as a protective duty is best met by shewing how it would affect an average-sized Bombay mill in competition with an English mill of the same size, presuming that British goods can be laid down in India *minus* the duty, and Native goods manufactured in India at the same price.

For this purpose I may take a mill of 30,000 spindles and 500 looms. The annual turnover will be about £70,000, which, at 5 per cent., is £3,500. Let the English mill-owner work for 30 years without profit, his Indian rival will have made out of the aid given by the duty £105,000, besides interest and compound interest.

I think, then, it will hardly be denied that 5 per cent. may be characterised as a protective duty.

3rd.—Of what nature is the evidence which the Indian Association would obtain by means of a committee from the "Natives" and "European representatives of the great Manchester houses in India?" Is it as to whether the duty is consistent with free trade principles? whether it has a protective operation? whether it is important enough in its pressure to merit the appellation of "protective?" whether the Indian Treasury can spare its amount? or whether the said Natives and European representatives will be dissatisfied and irritated if they cannot retain the bonus it confers in favour of their special investments?

I cannot think that we are without adequate light on all these points, and do not believe that anything stated by the gentlemen in question,—however disinterestedly solicitous they may be, exclusive of all considerations of personal advantage, to guard the Indian revenue, and to satisfy Indian sentiment,—would be regarded in the cotton textile districts as safe ground work for "a conclusion to be accepted as beyond the reach of cavil."

As for the assumption that we are to submit to this duty in order to pay our share of the expenses of Indian administration, I ask how such a claim is consistent with our own practice and conclusion derived from adhesion to the principles of free trade, that taxes are not to be imposed upon any article which enters into competition with any home production without being balanced by countervailing internal duties, the result being that many countries from which we import the most largely, as the United States, contribute very much less towards our customs revenue than others which, like, China, avail themselves of our markets to a relatively small extent?

For the reasons above given, I respectfully solicit Your Lordship not to accede to the request of the India Association to appoint such a Commission as that suggested, the only and the evident consequence of which would be needless waste of time.

APPENDIX D.

No. 136 (Statistics and Commerce), dated India Office, London, 30th August 1877.

From—*Her Majesty's Secretary of State for India,*
To—*The Government of India.*

I TRANSMIT herewith a Resolution which was adopted by the House of Commons on the 11th July last, without a division, to the following effect:—

> "That, in the opinion of this House, the duties now levied upon cotton manufactures imported into India, being protective in their nature, are contrary to sound commercial policy, and ought to be repealed without delay so soon as the financial condition of India will permit."

2. Your Excellency will perceive that this expression of opinion on the part of the House of Commons is in entire conformity with the tenor of my despatch of the 31st May 1876, No. 9 (Separate Revenue), upon this question, as well as with the views of your Government, as reported in the speeches of Your Lordship and Sir John Strachey in the proceedings of your Legislative Council at Calcutta, on the occasion of the Budget Statement in March last.

3. It is a subject of much satisfaction to me that both Your Excellency and the Financial Member of your Council, after a careful review of the fiscal system of India, have been able to concur with me so unreservedly in the opinion that the early reduction of the duties on cotton manufactures, with a view to their ultimate repeal, is a measure of great importance, both on economical and political grounds; and I do not doubt that the resolution of the House of Commons, which I now convey to you, will strengthen your desire to give the earliest practicable effect to a reform which has already commended itself to your deliberate approval.

4. In your financial letter of the 16th March last, No. 83, you enclose Minutes by your colleagues, Sir Henry Norman, Sir Arthur Hobhouse, and Sir Edward Bayley, dissenting from the policy adopted by Your Excellency in Council with reference to the abolition of Sea Customs revenue, and stating their reasons for objecting to the announcement made by Sir John Strachey with respect to cotton goods.

5. I observe nothing in these dissents which I have not already discussed and dealt with by anticipation in my despatch of the 31st May 1876. I do not therefore think it necessary to refer to them further on the present occasion, especially as two of the dissentients, the Legal and Military Members of Council, have since left your Government.

6. I will only remark that the experience of the last twelve months has tended to confirm the opinions which I expressed last year in some important respects.

7. In paragraph 30 of that despatch, I referred to the increasing number of mills and spindles at work in India. In the report of Mr. O'Conor, enclosed in your letter of the 11th of June last, No. 11 (Statistics), it is stated that five more mills were about to begin work, and that it was estimated that by the end of March 1877 there would be 1,231,284 spindles employed in India.

8. In paragraph 31, I called attention to the inconvenience and administrative difficulty which would arise from the importation into Calcutta and other Indian ports of Bombay cotton goods, free of duty, side by side with the taxed imports of similar goods of British production.

9. The following figures will shew that this interportal trade has already attained considerable dimensions, a fact of some significance also as shewing the increased competition of Indian with British-made cotton manufactures.

Exports from Bombay of Indian-made cotton goods in 1875-76 to—

		Quantity.		Value.
Bengal—				
Twist and yarn	Lbs.	372,400	Rs.	1,64,180
Piece goods	Yds.	1,161,575	„	1,66,701
Madras—				
Twist and yarn	Lbs.	4,667,209	Rs.	21,44,983
Piece goods	Yds.	1,090,202	„	2,86,740
Other Indian ports—				
Twist and yarn	Lbs.	502,533	Rs.	2,30,443
Piece goods	Yds.	10,420,114	„	13,26,899
Total—				
Twist and yarn	Lbs.	5,542,142	Rs.	25,39,606*
Piece goods	Yds.	12,671,891	„	17,80,340

10. I can only, in conclusion, express my hope that the financial prospects of your Government in the approaching year may not preclude the possibility of commencing the reform of this branch of the Indian Tariff, but if, as now seems too probable, it shall unfortunately be such as to render you unable to incur the risk of any material loss of revenue from remission of duties, there are still two measures in connexion with this reform which should not, in my opinion, be delayed beyond the present year. I mean the repeal of the duty of 5 per cent. on foreign raw cotton imported into India, and the exemption from import duty of the lower qualities of cotton manufactures, upon which the present tax is incontestibly protective, not only in principle but in fact, and the value of which for revenue purposes is wholly insignificant.

Copy of a Resolution adopted by the House of Commons on 11th July 1877, without a division.

"That in the opinion of this House, the duties now levied upon cotton manufactures imported into India, being protective in their nature, are contrary to sound commercial policy, and ought to be repealed without delay so soon as the financial condition of India will permit."

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* The totals for 1876-77 were as follows:—

		Quantity.	Value.
			Rs.
Twist and yarn	lbs.	10,697,038	48,93,094
Piece-goods	yds.	17,038,801	26,41,435

shewing a very large increase.

APPENDIX E.

No. 4192, dated Calcutta, the 14th December 1877.

From—A. MACKENZIE, ESQ., Secy. to the Govt. of Bengal, Financial Dept.,

To—The Secretary to the Government of India, Financial Department.

I AM directed to acknowledge receipt of Financial Resolution No. 2506, dated the 8th instant, asking for an immediate report on the working of the orders of March last, extending the Financial powers and responsibilities of local Governments. The Government of India admit that it is not possible for any local Government as yet to express a mature or final judgment on the effects and tendencies of such important changes. All that is asked for is a general opinion on the working of the scheme, based upon the experience already gained, and an estimate of the probability or otherwise of the local Government being able to fulfil its engagements in the current year. Special information is also requested with reference to recent measures of provincial taxation and any other similar measures now in contemplation.

2. Dealing first with the question of Provincial Services, I am to say that the Lieutenant-Governor has only at present before him accounts showing the actual expenditure of 1876-77, and Accountant-General's consolidated abstract of receipts and disbursements for the first six months of the current year. In the regular estimate for 1876-77 it was assumed that the closing balances of that year would probably stand thus—

	Rs.
Under Provincial Services	47,692
Ditto Reserve	1,03,027
Total ...	1,50,719

Owing partly to the fact that the outlay was less and the receipts greater than had been anticipated, and partly to faulty preparation of the regular estimate itself, the actual closing balance has turned out to be better than the estimated by seven lakhs of rupees, and stands thus—

	Rs.
Under Provincial Services	2,88,446
Ditto Reserve	5,62,130
Total	8,50,576

3. The following statement shows the receipts of the first six months of the current year under all the main heads of *Service*, as compared with the receipts during the corresponding period of last year :—

Provincial Services.	Six months' Receipts. 1877-78. Rs.	1876-77. Rs.
Land Revenue	50,876	34,505
Excise	36,06,910	31,91,669
Customs	32,542	26,998
Salt	1,15,355	1,19,797
Stamps	62,14,967	51,11,681
Law and Justice	3,74,259	4,03,231
Jails	3,15,779	2,69,305
Registration	3,53,284	3,04,854
Police	38,905	29,283
Marine	6,31,576	4,44,049
Education	2,78,715	2,43,532
Medical	76,313	53,117
Printing	30,592	31,650
Miscellaneous	1,34,241	1,76,069
Public Works	40,025	19,117
Cash recoveries	9,963	6,633
Total Provincial Service Receipts	1,23,04,300	1,04,65,490

This shows an improvement in Receipts of Rs. 18,38,810. (In the above Statement the Imperial allotment is for obvious reasons not treated as a receipt for purposes of comparison.)

4. The *Excise* revenue has shown remarkable improvement, attributable no doubt to the general prosperity of the country, and to increased attention paid to this branch of the revenue on the part of district officers. If the receipts in the last six months of the year bear the same ratio to the receipts of the first half as has been usual in former years, the revenue under this head may very probably be close upon 70 lakhs of rupees. Steps are being taken to secure this, and even a higher revenue, by the reorganization of the excise arrangements throughout the country, by more energetic efforts to suppress illicit distillation, by reforms in the matter of ganja, by raising the prices of excise opium, and by more careful local inspection by selected officers, and more vigorous administration in every branch of the department.

5. The *Stamp* revenue has also so far shown an abnormal development, attributable in the early months of the year to the operations under the Land Registration Act. But as nearly 4 lakhs out of the gross improvement of 11 lakhs shown in the table were realized in the month of September, and that mainly under Court Fee stamps, there is good ground for supposing that the revenue of the first half of the year has been unduly swelled by a rush of suits filed in anticipation of the expiry of the old Civil Procedure Code on the 30th September. The gross stamp revenue of the year cannot be expected to be 22 lakhs better than that of 1876-77. It will be satisfactory if, in the remaining months of the year, it even maintains the same figure as in the corresponding months of last year. Certain changes have, however, been introduced by the new Civil Procedure Code, which are likely to cause serious loss to the revenue until the new Stamp Bill becomes law, *e. g.*, the exemption from stamp of certificates of sale hitherto stamped as conveyances.

6. Under the head of 'Miscellaneous,' the receipts of the first six months are no criterion of the year's income, inasmuch as the large balances of unclaimed deposits are not credited to Government in the accounts until the close of the year. There is no reason to believe that the receipts under this head will eventually fall short of the estimate (Rs. 8,91,600), though only Rs. 1,34,241 were credited in the first six months.

7. The remaining heads do not call for special remark. Jail manufactures are doing well; registration receipts show a considerable improvement; and the great development of the rice trade during the past year has sent up pilotage receipts. There are, of course, in all these departments corresponding increases of charge; but the balance on the whole is largely in favour of Government.

8. Turning now to the Expenditure side of the account, I am to say that it is impossible to give a complete return of expenditure during the six months owing to the necessary delay in the adjustment of public works charges. The Accountant-General's figures are, however, shown for all the main heads in the following table:—

Provincial Services.	Six months' Disbursements.	
	1877-78.	1876-77.
	Rs.	Rs.
Refunds	3,16,520	2,92,444
Land Revenue	12,25,869	12,26,015
Excise	1,55,677	1,73,535
Customs	3,55,362	3,55,908
Salt	19,167	23,459
Stamps	1,34,648	1,26,863
Administration	6,39,727	6,84,586
Minor Departments	1,28,483	1,28,550
Law and Justice	30,87,324	33,27,967
Jails	7,85,968	7,97,689
Registration	2,43,894	2,36,142
Police	20,38,863	19,42,170
Marine	4,87,753	4,26,346
Education	11,95,423	12,38,120
Ecclesiastical	4,037	3,888
Medical	5,89,662	6,80,654
Stationery and Printing	1,70,940	1,41,776
Office Rent, Rates, and Taxes	83,903	75,897
Miscelleneous	93,014	1,07,234
Public Works (Ordinary	7,66,487	4,80,219
Cash Recoveries	9,963	6,633
Total	1,25,32,624	1,24,76,125

9. It will be seen that in the majority of headings the expenditure, so far from showing any tendency to grow, is actually somewhat less than in the corresponding period of last year; and although the public works expenditure is relatively more, this is in fact merely an accident of account. The outlay on public works will almost certainly be well within budget limits. In the uncertainty felt as to the effect of the revised financial arrangements, the Lieutenant-Governor has enforced a very general and strict economy.

10. The receipts under Provincial Reserve also show satisfactory progress. Excluding the income from Provincial Public Works Cess, they stand at a total of Rs. 6,80,277 against Rs. 5,83,983 in the corresponding six months of last year; while the expenditure was only Rs. 2,75,337, against Rs. 4,17,728.

11. In the arrangements made by your letter of the 29th March last for the transfer of additional services to this Government, the receipts and the disbursements were generally calculated on the basis of the regular estimates of 1876-77. The chief exceptions to this procedure were that in Excise 64 lakhs of rupees were taken as the receipts against 63 lakhs estimated for 1876-77, the normal rate of increase being assumed to be one lakh annually; while in "*Stamps*" and "*Law and Justice*" the normal rate of increase was assumed to be 2¾ lakhs per annum, and the revenue for 1877-78 was taken at 105¾ lakhs. From the consolidated assignment thus ascertained a lump deduction of Rs. 5,90,000 was made. Thus, apart from minor items of profit or loss, the Local Government has to find in 1877-78 a sum of Rs. 9,65,000 over and above the receipts of 1876-77.

12. On the whole, the Lieutenant-Governor believes that, if there be no unforeseen and serious falling off in the remaining months of the year, he will have no difficulty in meeting the liabilities of this Government in the matter of *Provincial Services*. The opening balance has proved to be so much better than was expected, and the growth of the Stamp and Excise revenue has been so much larger than was hoped, while the expenditure has been kept so fairly within budget limits, that Mr. Eden has no doubt about this Government being able to discharge its *ordinary* obligations in the current year.

13. In addition to these, however, this Government was made responsible for meeting the charges on account of Extraordinary Public Works (Railways and Irrigation Canals). The charges so transferred were estimated to amount to about 27½ lakhs of rupees. To meet this demand the Provincial Public Works Cess was imposed under Act II (B.C.) of 1877. This Act did not come into force until the 13th June last, and the Government of India, recognizing the fact that only three quarters' tax at most could be collected under it during the current financial year, reduced the contribution payable by the Government of Bengal for Irrigation Works and State Railways to 20 lakhs of rupees. The first instalment of the cess fell due on the 28th September, and it appears from the Accountant-General's returns that only Rs. 4,66,560 were paid into the treasuries during the quarter ending on that day. This normal demand for the quarter is about 7½ lakhs, so that the collections are far below the proper standard. There were, no doubt, difficulties in getting all the notices required by the Act, on its first introduction, duly served; and as failure to pay these cesses is not attended with the same penalties as attach to default under the Revenue Sale Law, their realization is always likely to be in arrear of quarter day. The Board have been directed to urge upon district officers the importance of prompt collection, and if it is found eventually that the financial position is at all endangered by these difficulties in collection, the law must be amended so as to make the payment of the cesses with the land revenue absolutely compulsory. In the meanwhile the Lieutenant-Governor cannot guarantee that he will be able to provide 20 lakhs of rupees for the purpose of meeting the interest charges for State Railways and Canals out of the proceeds of the cess in the current year. But he may be able to discharge his obligations otherwise, if the improvement in the ordinary *Service* receipts continues to the end of the year. It is, however, very important that this Government should have a reasonably large working balance in hand. It is impossible to carry on the Government with efficiency and a due regard to improvement in administration if there is not a reasonably large surplus available after satisfying the demands of the Imperial Government. The Lieutenant-Governor has before him many necessary and useful projects which ought to be undertaken, and would be undertaken, were funds available; but for the present he is compelled to proceed with great caution in the matter of expenditure, and has not been able to make that use of his improved revenue that he would have liked.

14. In paragraph 4 of Mr. Reynolds' letter No. 875, dated 24th March, the sanction of the Government of India was asked to the introduction of a Bill for imposing a compulsory water-rate upon all lands protected or irrigated by the canals which have been constructed in Behar, Orissa, and Midnapore. Such a Bill was subsequently laid before the Bengal Legislative Council, its chief features being that it made all *irrigable* lands liable to the payment of a rate not exceeding Rs. 2 per acre, and all lands protected from flood by flood-embankments (if not irrigable) liable to a rate not exceeding 8 annas per acre. These rates were as a general principle to be payable by the cultivator, the zemindar being made responsible for collecting them and handing them over to Government. The duty of constructing and maintaining village channels was thrown upon the occupiers of land, under the supervision of the owner thereof. Remission of rates was to be allowed in cases where Government might fail to supply sufficient water or to maintain adequate embankments.

15. The Bill as published evoked much hostile criticism, and numerous petitions from landholders and others taking exception both to its principles and details were referred to the Select Committee of Council which sat upon the measure. The Committee found that they had not before them sufficient information to enable them to deal satisfactorily with these representations: and it was eventually determined to postpone further consideration of it until local enquiry should have been made both in Behar and Orissa with reference to various matters of fundamental importance. The duty of directing these enquiries was undertaken by Mr. T. E. Ravenshaw, Member of the Board of Revenue, who had charge of the Bill, assisted by Mr. G. Toynbee, Officiating Collector of Cuttack. Eventually it was proposed by these officers to abandon the attempt to impose a rate upon protected lands not being irrigable, to eliminate all questions of embankments from the Bill altogether, and to introduce the compulsory rate upon irrigable lands only when it could be shown (1) that all such lands in the villages affected had been surveyed, and that field maps and schedules of holdings existed in respect of such lands; (2) that canal water had been brought to some points within the boundary of each village whence all the irrigable lands could be commanded; (3) that a full supply of canal water would be available for some part of the year for at least one crop grown on all the lands within the village; and (4) that adequate means of drainage existed for such lands.

16. The Bill in this shape would be merely supplementary to Act VII (B.C.) of 1876, and would be brought into play gradually as the cadastral surveys extend and irrigation works are completed. The Lieutenant-Governor has just returned from visiting the Sone works. During the past season all the water which the canals could supply was freely taken at optional rates. Where the people can be relied upon to do this, it is fairer to them, and more advantageous to Government, that the optional system should continue. It remains to be seen whether they will repeat their application next year; but the result of the Lieutenant-Governor's observation is to induce him to believe that the agriculturists of Behar are really beginning to appreciate thoroughly the advantages of an assured supply of water, and under these circumstances he does not consider it expedient to press the compulsory system for the present. Orissa is not yet ready for its introduction, as the field survey there has not been completed.

17. I am to add that the Lieutenant-Governor has found that the general effect of the extension of the decentralization system in respect to the facilities which it has given to provincial administration has been even more satisfactory than he anticipated. In making the Local Government responsible for expenditure, and giving them a direct interest in the developement of various branches of the revenue, it has secured a careful scrutiny over the expenditure of all departments, and a deep interest in all improveable heads of revenue which has extended to all grades of the services. District officers understand that the Provincial Government can sanction no new schemes and few new works unless it has a constantly improving revenue, and they have shewn an earnest desire to assist the Government by the adoption of every measure which their local experience suggests as likely to have a beneficial effect upon the revenues. At the same time the Local Government has, since the inauguration of the system of provincial finance in 1870-71, been in a position to carry out many works and many measures of improvement on its own responsibility, which would, under the old system, have possibly been delayed for an indefinite period. All friction with the Imperial Government has been obviated, and much useless and unsatisfactory correspondence avoided.

APPENDIX F.

MINUTE BY HIS EXCELLENCY THE VICEROY.

1. In the observations I addressed to the Legislative Council on the introduction of the measures of taxation that have lately become law, I dwelt on the altered position in which the Local Governments would be placed in relation to the prosecution of Public Works, under the enlarged responsibilities with which it was proposed to entrust them.

2. Speaking of the fundamental principle of this policy, which has been fully accepted by Her Majesty's Government, I said that it—

"involves the enlargement, with adequate precautions, of the financial, and "consequently also of the administrative, powers and responsibilities of the "Local Governments. In the next place, we believe that, if this principle be "fairly carried into effect, the new imposts, which the Council is now asked "to sanction, will, when added to the resources already created, provide the "State with sufficient means for the permanent maintenance of a national "insurance against famine, without heavily increasing the pecuniary burdens "of its subjects. For the attainment of this object, the material appliances "we intend to promote, by means of additional revenue, are cheap railroads "and extended irrigation works. We are conscious of the reproach we "should justly incur if, after such a declaration as I have now made, the "prosecution of these necessary works were commenced, suspended, or relin-"quished, according to the increased or relaxed pressure of annual cir-"cumstance, or the intermittent activity of spasmodic effort. We, therefore, "propose to entrust, in the first instance, to the Local Governments the duty of "framing a sufficient and carefully considered scheme of local railroad and irri-"gation works. We are prepared to provide them with the means whereby they "may from year to year work systematically forwards and upwards to the com-"pletion of such a scheme. The funds locally raised for this purpose will be "locally applied. But Provincial Governments will have to meet the cost of "provincial famines out of provincial funds to the fullest extent those funds can "bear. They will find that thriftless expenditure in one year may involve the "risk of diminished allotments in subsequent years; and I cannot doubt that the "unavoidable recognition of this fact will make them wisely eager to spend the "requisite proportion of their annual income upon well-planned and carefully "estimated railway and irrigation works, which will be their best insurance "against the losses of famine, and the postponement of all administrative progress "which famine generally entails. It will be the special duty of the Public "Works Department of this Government to keep those objects constantly in view "of the Local Governments, and to assist them, no less constantly, in their endea-"vours to give a rational preference to really useful and remunerative works, "over those more captivating, but less compensating, subjects of expenditure "which, in all comparatively small communities, so powerfully appeal to pro-"vincial pride, professional proclivities, or popular pleasure."

3. It now becomes my duty to invite my colleagues in charge of the two Departments on which will mainly devolve the task of giving effect to the policy thus sketched out, (that is to say, the Public Works and Financial Departments,) to consider, and propose, the further measures requisite for accomplishing the object of it. Considerable progress has indeed been already made in this direction. The orders that will shortly issue on the report of the Committee assembled last autumn at Simla, and the supplementary report more recently received, will do much to facilitate the operations of the Local Governments; and to place their relations with the Government of India on the footing that is now requisite.

4. But, while requesting the co-operation of my colleagues in this important task, I feel that I should be imperfectly performing my own duty if I did not endeavour, to the best of my ability, to lay down the lines on which the action of our Government should proceed in the prosecution of the great object which, for many months past, has been one of the chief causes of our solicitude.

5. The sole justification for the increased taxation which has just been imposed upon the people of India for the purpose of ensuring this Empire against the worst calamities of future famine, so far as such an insurance can now be practically provided, is the pledge we have given that a sum not less than a million and a half sterling, which exceeds the amount of the additional contributions obtained from the people for this purpose, shall be annually applied to it. We have explained to the people of this country that the additional revenue raised by the new taxes is required, not for the luxuries, but the necessities, of the State; not for general purposes, but for the construction of a particular class of Public Works; and we have pledged ourselves not to spend one rupee of the special resources, thus created, upon works of a different character; while we exercise the most strict economy in all other branches of our expenditure, so that no greater burdens shall be thrown on the country than are absolutely required by the necessities of the case.

6. The pledges which my Financial Colleague was authorised to give, on behalf of the Government, were explicit and emphatic as regards these points. It was, however, impossible to explain in detail to the public the precise character of those administrative guarantees which the Government of India then bound itself to provide for the faithful redemption of the above-mentioned pledges.

7. Owing to this impossibility, the manner in which the proceeds of the new taxation are to be applied to the reduction of debt is the only part of our financial programme as to which any mistrust of our sincerity has been indicated on the part of the community. For this reason, it is all the more binding on the honor of the Government to redeem to the uttermost, without evasion or delay, those pledges, for the adequate redemption of which the people of India have, and can have, no other guarantee than the good faith of their rulers.

8. Now, the engagements which the Government of India has bound itself to fulfil, are the following:—

1st.—To apply funds from the surplus revenues at the rate of 1½ million sterling per annum, in such a manner as to create what shall, in fact, be an insurance fund, by which future expenditure for famine relief can be provided for without adding to the permanent burdens on the revenues.

2nd.—To bring about this result, either by the direct discharge of debt in times of prosperity, or by investments of surplus revenue in Productive Public Works, under conditions that shall ensure their being really remunerative, and that they shall at the same time supply to the country the best material protection against famine.

3rd.—To comply with these conditions by carrying out in all the provinces of India, as speedily as our financial position and other economical considerations will admit, all approved extensions of irrigation, and a complete system of cheap railroads, primarily and specially adapted to a slow goods traffic

4th.—To secure to the utmost the financial basis of this undertaking, by assigning to, and concentrating upon, the Local Governments the financial responsibility and administrative powers necessary for the designing, commencement, completion, and maintenance, within their respective provinces, of such a system of works as shall fulfil the requirements of the case for each of them.

5th.—To arrive at this result by giving to these Local Governments the maximum of pecuniary interest and profit in the cheap construction and successful management of all provincial public works; by reducing to a minimum interference on the part of the Government of India in the administration of such works; and by not permitting such interference to extend beyond what is necessary to ensure regularity and harmony of action, or protection to the general financial interests of the State.

9. To carry out adequately the engagements thus publicly contracted, immediate, consistent, and persistent adherence to certain lines of conduct, on the part of the Central Government, is absolutely necessary.

10. In the first place, the great and dominant condition which must necessarily govern our action, determine every direction, and influence every detail, in the prosecution of a policy on the success of which the character and efficiency of our government will henceforth be properly held to depend, is decentralisa-

tion of the administration, and consequent reduction of the central establishments. These conditions apply more or less to all departments of the Supreme Government; but, from the nature of the case, it is in the Public Works Department that they will chiefly operate, and that the loyal and intelligent recognition of them will have the amplest and most beneficent results. I need not, however, now dwell further on the paramount importance of the efficient application of these conditions to all departments of the Supreme Government, because it has already been decided in Council to constitute and appoint a Committee for the purpose of working out in detail recommendations to be submitted to the Governor General in Council for the reduction of all the central establishments in just proportion to the diminution in the administrative work of each department, relatively one to the other, which may be reasonably anticipated from the practical operation of the decentralisation policy now adopted and proclaimed.

11. In the next place, inasmuch as it is upon the Local Governments that the responsibility has been placed for the provision, maintenance, and management of local protective works, it is with the Local Governments, and not with the Government of India, that the initiative must now rest, as regards the recommendation and elaboration of schemes for giving effect to this policy.

12. Further, it must be distinctly understood, and constantly borne in mind, that as the improvement of the means of communication throughout the country is without doubt one of the most certain means of giving protection from famine, the rapid and cheap construction of provincial railroads, specially constructed for a slow goods traffic, is an object to which all the financial resources of the Government of India, available for this class of works, aided by those of the Local Governments, must now, and for many years to come, be primarily, if not almost exclusively, directed. The desired economy should be sought for by rigorously excluding from our present consideration all proposals that will sensibly add to the first cost of construction, whether for works or carriages, anything not essential for meeting the main end in view,—a local goods traffic. It will certainly be better to pay somewhat more, after the lines become remunerative, for additions then found desirable, than to delay the early general extension of railways, in order to supply what, in some sense at least, are luxuries.

13. It is also now essential that the Government of India in the Public Works Department should seriously re-consider its action in respect to lines passing through Native States; and that it should, without loss of time, take such steps as may be possible to secure its financial position in regard to those lines; so that while the provision of such improved means of communication in the territories of our Native feudatories is encouraged as far as possible, they shall not become causes of delay in the extension of railways through British provinces, the revenues of which have till now almost exclusively supplied the means of carrying out the lines which pass through Native States.

14. In every case of a line passing through Native territory, vigilant foresight and re-doubled care will be required from the Public Works Department to provide financial guarantees sufficient to replace that responsibility for results which is guarded, in the case of provincial lines, by the liability of provincial revenues to make good all deficiencies in the estimated profits on expenditure. If this condition of our present and future action be not carefully observed in the Public Works Department, the Government of India may be exposed to a great scandal.

15. Caution is also needed on the part of the Public Works Department in respect to outlay, both as regards capital outlay and working expenditure, on Guaranteed Railways, more especially on those of which the receipts do not cover the guaranteed rate of interest.

16. In amplification of these general principles, there are some observations on the manner of applying them which I desire to add.

It will henceforth be necessary to exercise great caution when devising railroad projects, or ordering surveys on behalf of railroad projects, which are not essential to the purpose I have indicated; and which would, therefore, involve the diversion of necessarily limited funds to objects other than those

to which all the available financial resources of the Government of India must, for many years to come, be devoted. Any preliminary expenditure that will not lead to the eventual execution of some useful work, or tend to reduce the risk of error in the preparation of projects for actual execution, will be wasteful, and should not be permitted.

17. Next, to ensure the rapid and general extension of railways, it is essential that they should be cheap, and designed as simply and economically as may be consistent with the practical demands of a slow goods traffic, while proper attention is given to permanence in the construction of the principal works. From this point of view some re-consideration of existing rules (relating to the preparation and sanction of projects) may be requisite, so as to give reasonable facilities for the gradual execution of railway works. It is certainly not expedient to force prematurely the provision of conveniences, though in themselves desirable, which will operate as causes of expense, and which might be postponed without sacrifice of substantial efficiency. The early opening of the lines in a manner that will admit of a properly economical slow traffic of goods is the object to be aimed at, rather than the complete provision of all those appliances which the profuse expenditure on our Guaranteed Railways has in their case supplied; and which, through them, have come to be looked upon as necessaries. Those who find in the absence of such luxuries a just cause of complaint should be reminded that all Indian Railways are provided at the cost of the Indian tax-payer, and that the well-being of the country at large must receive attention before merely personal comfort.

18. Speaking of the lines of railway we now have to provide, as a whole, it may certainly be said that the traffic upon them will be light, and that the financial obligations to construct them at the smallest possible cost are paramount. In respect to these lines I regard the question of gauge as no longer open. Our experience is already sufficient to prove that narrow-gauge lines admit of considerable economy in first construction; and that they are fully capable of carrying any traffic likely to be brought upon them, as cheaply at least as a similar traffic could be carried on any railway. The Government of India having some years ago decided that the narrow gauge should be adopted for such lines as those to which I am now referring, much progress having been already made in their prosecution, and no reason existing for going back from the original decision, I hold it to be finally settled that this system of construction shall be exclusively adopted in future, so far as regards the class of railways here under consideration.

19. That there may be lines of communication on which the construction of railways will hereafter be desirable on strategic and military grounds, I am ready to recognise. Were they commenced, however, to-morrow and carried out, under high pressure, regardless of expenditure, they could not be completed in time to render them available for military purposes for the next three or four years. It is not upon the commencement of long and costly strategic lines of rail, that the resources available for increasing the strength and efficiency of our military power at India, can, at the present time, be most advantageously laid out. Nor, so far as I am able to judge, is the Government of India pledged by public engagements, or required on behalf of any urgent interests, to commence and carry out any such lines with all possible expedition. Still less, is there any reason, which I can recognise, for giving to the construction of such lines precedence in the present distribution of our annual expenditure upon Public Works. On the other hand, the Government of India is most distinctly, publicly, and emphatically bound to lose no time in commencing, and completing, within the limits of its actual means, the construction of provincial lines of railroad for slow goods traffic on the cheapest possible system. Until the projects necessary for the fulfilment of this engagement have been completely and satisfactorily carried out, no other new projects can be entertained, or discussed, unless the plea of superior urgency is first established.

20. Of course, due provision must be made for the early completion of lines of this character which are now in progress; though the present expenditure upon them should be limited as closely as possible. While all is done that is really necessary to meet the objects for which they were primarily

undertaken, it should be borne in mind that they were not designed as lines of commercial traffic; and that the supply of the conveniences required for such a traffic should rather follow, than precede, its development.

21. Whenever we are called upon to consider, as a practical and pressing question, the immediate construction of strategic lines of railroad not yet commenced, I shall be ready to receive and discuss, without prejudice, all arguments in favor of adopting for such lines, upon military grounds, the broad-gauge system. But no such projects are now before us; nor does it seem probable that they can be brought before us in any practical shape for some years to come.

22. For these reasons, I am satisfied that the Government of India, in the prosecution of the objects it is pledged to carry out, should conform its action to the strictest conditions of promptitude, combined with economy; and should watch carefully against the misdirection, either of the ingenuity of its officers, or the resources of the State, to the survey of lines of railroad which have no connection with the attainment of these objects, and are likely to lead to no present useful results.

23. With reference to the Guaranteed Railways, which serve as the great arteries of commerce through the country, it should be our object to see that all really needful supplementary works or rolling-stock are provided to meet the growth of the traffic. Beyond this, however, any expenditure that cannot be justified on the general principles laid down in the earlier part of this Minute, for the extension of railways, should be jealously challenged. The mere fact that such expenditure may probably be sufficiently covered by the expected return, will not justify the construction of costly lines, if thereby the completion of a greater length of cheaper lines is prevented. It is not possible to lay down any positive rule on such a subject; but the fact should not be lost sight of, that expenditure on Guaranteed Railways is, in truth, hardly different, in its financial effect on the ways and means of the Government, from expenditure on lines directly carried out by the State; and that the expansion of the former will necessarily cause the contraction of the latter.

24. In the presence of the vast area to which no sort of provision of railway transport has yet been given, it will further be extremely doubtful whether any countenance should be given to carrying out supplementary through lines of communication, as distinguished from those cheap local lines, the immediate provision of which I regard as so important. Without going so far as to reject the idea of some such lines being hereafter expedient, I consider that they should be closely examined if proposed; and that enquiry should be made whether the desired relief of the traffic may not be better provided by means of judiciously designed local lines.

25. The principle that justifies such a course of action is obvious. It is that, by closely limiting the first outlay, the largest possible extension of railways will be obtained in the shortest possible time. By doubling the lines, should the traffic anywhere ultimately require it, or by re-laying them on the broad gauge, should such a course be ever proved essential to carry the trade of the country, all needful relief can be given in the future; with this very great advantage, that the increased outlay will, in all cases, follow the growth of the Revenue, and not precede it. The minimum of financial risk will be incurred, while the maximum of practical advantage is secured.

26. To give full effect to the conclusions thus indicated, the early attention of the Financial and Public Works Departments should, as I have already suggested, be given to the matters that properly fall within their respective branches of business; acting however in concert, so far as may be necessary for the purpose of framing instructions to all authorities concerned.

27. The Financial Department may usefully call the attention of all the other departments of the Government of India, and of all the Local Governments, to the paramount importance of giving effect to the policy recently adopted in relation to the protection of the country from the effects of famine. It should reiterate, in clear and emphatic terms, to the authorities concerned, both imperial and local, the cautions already generally stated in the declarations of the Government of India, as regards their several responsibilities; whether in

co-operating for the suggestion and practical application of the requisite measures to be taken, or in guarding the many important financial interests directly or indirectly involved in all proposals for expenditure, or sanction.

28. Increased attention is also required in the Financial Department to the financial results of all Productive Public Works; and that Department should now, in communication with the Public Works Department, consider what steps ought to be taken to secure a full review of the results of all such works, year by year, in a complete and comprehensive shape, such as would be suitable for presentation to Parliament.

29. The consideration of all administrative details in relation to their cost, and a comparison of such cost on various works of like general character, would properly fall within the province of the Public Works Department. On the other hand, a general review of the financial results as a whole, whether in relation to the original cost of the works, the liabilities they involve in the shape of interest charges or otherwise, their aggregate effects in increasing the public revenues or expenditure, or other analogous considerations, would be dealt with in the Financial Department.

30. The extreme importance of constantly keeping in view the actual results of the great financial operations involved in the prosecution of Public Works in India, whether under guarantee of interest or by the direct expenditure of money by the State, cannot be overrated. It is only by the consideration and comparison of such results that proper economy can be secured, and financial trouble avoided. It will almost invariably be found that it is to the want of attention to this point that embarrassments arise from excess of expenditure over estimates, or from the unthrifty management of works in operation.

31. In such returns promptitude and regularity are more to be sought for, than over-refinement in calculation, which is often of no real value for practical purposes.

32. My attention has been drawn, in relation to this matter, to a despatch from the Secretary of State (Railway No. 119, dated 25th November 1875), in which he gives instructions for the revision of the railway traffic returns, for the purpose to which I have referred. The subject is one which should be reconsidered in connection with the steps now to be taken; and a joint responsibility should be held to attach to the Financial and Public Works Departments for securing the regular and punctual preparation of whatever returns of this class are eventually held to be requisite.

33. It would fall to the Public Works Department, in dealing with its share of the duties now placed upon it, to point out to the Local Governments the increased necessity which now exists for greater attention on their part, than has heretofore been given, to the requirements of their provinces as a whole; and to remind them of the fresh responsibilities now thrown upon them; at the same time requiring them, in sending up proposals on behalf of Productive Public Works which require the sanction of the Supreme Government, or the provision of funds outside of the ordinary grants from the Revenues of the year, to regard such proposals as parts of a general and connected scheme for satisfying as expeditiously, and as economically, as may be practically possible, the pressing wants of their provinces within the limits of their financial powers.

34. It will further be apparent that the obligations now publicly undertaken by the Government of India as regards, on the one hand, expedition, and, on the other hand, economy, in the construction of useful local works, demand from the Public Works Department the severest restraint upon superfluous expenditure in every branch of its administration; and the most careful, intelligent, and well-considered selection of the works recommended to the sanction of the Governor General in Council for the purpose of supplying to the country at large the best means that can be devised for giving it protection from the destructive effects of Famine.

The 12th March 1878. LYTTON.

APPENDIX G.

FINANCIAL AND COMMERCIAL STATISTICS, 1876-77.

Statistics, 1876-77.

The following table contains some interesting and important comparisons:—

	1874-75.	1875-76.	1876-77.
Deficit of recorded Revenue compared with whole recorded Expenditure ...	£ 3,930,374	£ 2,601,684	£ 5,992,062
Invested in Productive Public Works ...	4,249,571	4,270,629	3,809,284
Recorded Revenue compared with the recorded Expenditure excluding Expenditure on Productive Public Works—			
Surplus	319,197	1,668,945	...
Deficit	...	...	2,182,778
Net Public Debt incurred	8,398,168	4,109,522	4,750,000
Net Public Debt incurred, including Capital transactions with Guaranteed Railway and other Companies and Native States, &c....	7,142,200	2,678,851	3,307,000
Value of commodities exported excluding Gold and Silver	56,359,000	58,091,000	61,014,000
Value of commodities imported excluding Gold and Silver	36,222,000	38,887,000	37,428,000
Excess of Exports over Imports excluding Gold and Silver	20,137,000	19,204,000	23,586,000
Net imports of Gold	1,874,000	1,545,000	207,000
Net imports of Silver	4,642,000	1,555,000	7,199,000
Total net imports of Gold and Silver ...	6,516,000	3,100,000	7,406,000
Excess of Exports over Imports including Gold and Silver...	13,621,000	16,104,000	16,180,000
Grand total value of Imports and Exports of all kinds	102,348,000	104,480,000	113,968,000
Secretary of State's Bills sold (Rupees) Rs.	11,74,37,000	13,75,00,000	14,85,70,000
Sterling equivalent received ... £	10,841,600	12,390,000	12,696,000
Silver coined at the Indian Mints ...	4,897,000	2,550,000	6,271,000
Gold coined in Germany	...	12,756,000	2,873,000
Silver coined in Germany	...	6,450,000	9,567,000
Maximum price of an oz. troy standard silver in London	59½*d.* (25th April)	57⅞*d.* (27th Apl.)	58⅝*d.* (18th Jan.)
Minimum price of an oz. troy standard silver in London	57*d.* (9th Mar.)	52½*d.* (22nd Mar.)	47*d.* (7th July)
Maximum price of a sovereign in Calcutta Rs.	10 14 0	11 12 0	13 (7th July)
Minimum price of a sovereign in Calcutta „	10 9 0	11	11 Rs. 3as. (6th Feb.)
Average exchange upon Secretary of State's Bills sold per rupee ... £	1s. 10·22*d.*	1s. 9·64*d.*	1s. 8·49*d.*
Fixed rate of exchange for the adjustment of transactions between the Indian and Imperial Treasuries	1s. 10*d.*	1s. 10⅛*d.*	1s. 9⅜*d.*
Maximum rate of discount on loans on demand at the Bank of Bengal, Calcutta	11 (11th Apl.)	9 (May)	11 (Apl.)
Minimum ditto ...	3½ (July to Nov.)	4 (Nov. and Dec.)	5 (Aug. and Sept.)
Maximum rate of discount at the Bank of England	6 (Dec.)	4 (Oct. and Jan.)	2 (throughout the year)
Minimum ditto	2½ (July)	2 (Aug.)	
Maximum money balances of three Presidency Banks	6,927,800 (July)	7,041,800 (July)	6,382,700 (July)
Minimum ditto	4,359,200 (Mar)	4,762,360 (May)	4,132,500 (Oct.)
Maximum price in Calcutta of Government Four per cent. Rupee Securities ...	104⅜ (15th July)	102⅞ (3rd June)	102⅝ (25th July)
Minimum ditto	101½ (23th Mar.)	99 (21st Mar.)	96½ (13th Jan.)
Maximum amount outstanding on London Register, of Rupee Securities enfaced for interest drafts	14,214,617 (Nov.)	14,407,861 (Oct)	14,125,982 (April)
Minimum ditto	13,098,988 (May)	14,111,441 (April)	12,655,322 (Dec.)
Maximum price in London of such securities (in Gold)	98	93⅛ (7th Apl.)	92 (15th Dec.)
Minimum ditto	93	82 (4th Mar.)	77 (6th July)
Maximum price in London of Secretary of State's Four per cent. Sterling bonds ...	104⅞ (Feb.)	106⅛ (5th Aug.)	104¾ (2nd Feb.)
Minimum ditto	100½ (Apl.)	102⅞ (3rd June)	101 (26th Oct.)
Maximum Government Paper Currency outstanding	11,327,607 (7th Feb.)	12,161,224 (22nd Oct.)	12,551,185 (7th Feb.)
Minimum ditto	9,221,438 (7th Apl.)	10,668,628 (7th May)	10,532,294 (15th May)
Number of Money Order Offices ...	295	301	306
Number of Money Orders Issued ...	242,001	231,907	235,769
Amount of Money Orders Issued ...	1,016,746	912,662	968,467
Average amount of each order Rs.	42 0 3	39 5 7	41 1 3
Number of Savings Banks	326	332	343
Number of Depositors in Savings Banks ...	67,316	73,642	80,003
Amount deposited in Savings Banks ...	1,750,326	1,900,060	1,941,896
Average of each Deposit ... Rs.	260	259	243
Net addition to Deposits	9,936	84,021	40,741

Statistics, 1876-77.

TRADE STATISTICS.

The Value of the Trade of 1876-77 is the largest ever yet recorded, if the years of the American war 1863 to 1866 are excluded. The total Imports amounted to £48,864,086, and the total Exports to £65,043,789, both including treasure and Government stores.

The increase of the Import of treasure was very large, the amount having been more than double the average of the preceding 4 years.

ACCOUNT OF INDIA WITH THE WORLD.

The value of the Imports of merchandise, though somewhat less than in 1875-76, shows a fair increase over the average of the last 4 years, which, in combination with the continued increase of the Exports, is a satisfactory indication of the growing prosperity of the country.

The rapid change in the relative values of gold and silver which culminated in July 1876 is illustrated by many entries in the Table in the preceding page.

PRINCIPAL EXPORTS.

In the following table the statistics of the exports of the principal Indian staples are arranged in order of their value in 1876-77. *Opium* has continued in steady demand, and now stands first in the list, closely followed by *Cotton*, which, however, it is observed with regret, has declined in value and quantity. *Rice* has changed places again with *Seeds*. *Jute, Hides and Skins* and *Indigo* form the next group, each member of which retains its relative place. The growing proportion of manufactured *Cotton, Jute* and *Hides* is interesting and encouraging. *Tea* made a stride forward; and *Wheat* more than doubled in value. *Silk* and *Sugar* also sprang up again under the stimulus of higher prices:—

No.	Exports.		1874-75.	1875-76.	1876-77.
1	OPIUM	Quantity ... ... Chests.	94,746	88,350	96,870
		Value ... ... £	11,956,972	11,148,426	12,404,748
		Average declared value per chest; in rupees Rs.	1,262	1,273	1,281
2	COTTON—				
	Raw	Quantity ... ... cwts.	5,600,086	5,009,788	4,557,914
		Value ... ... £	15,257,342	13,278,964	11,746,184
		Average declared value of a lb. Annas	As. 3/11	As. 3/9	As. 3/8
		Average declared value of a lb. Pence, at the average exchange	5 4·0	5 1·3	4 7·1
	Twist and Yarn	Quantity ... ... lbs.	2,834,725	6,228,511	7,926,710
		Value ... ... £	147,562	266,951	367,303
		Average declared value per lb ... annas	As. 8/4	As. 6/10	As. 7/5
		Other manufactures—Value ... £	364,812	396,472	445,079
		Average declared value in annas; per yard ... Grey or unbleached annas	...	As. 2/6	As. 2/6
		Average declared value in annas; per yard ... Colored, printed or dyed "	...	As. 4/9	As. 5/3
		Percentage of manufactures on whole value exported	1·89	4·41	5·0
3	RICE AND PADDY	Quantity ... ... Cwts.	17,392,938	20,416,032	19,914,332
		Value ... ... £	4,765,334	5,311,094	5,815,221
		Average declared value of husked rice per cwt. ... Rupees	2 11 10	2 10 8	2 13 7
		Average declared value of husked rice per cwt. ... Shillings, at average exchange ...	5·07	4·81	4·86
4	SEEDS	Quantity ... ... Cwts.	6,074,756	10,506,822	9,582,865
		Value ... ... £	3,235,950	5,461,982	5,319,124
		Average declared value of linseed per cwt. ... Rupees	5 0 0	5 4 6	5 5 11
		Average declared value of linseed per cwt. ... Shillings, at average exchange ...	9·27	9·52	9·17
5	JUTE	Raw and manufactured (value)	3,485,522	3,294,521	3,356,124
		Average declared value of a cwt. raw jute ... Rupees	5 14 7	5 13 1	5 14 7
		Average declared value of a cwt. raw jute ... Shillings, at average exchange ...	10·94	9·72	9·94
		Percentage of manufactures on whole value exported	·68	1·48	2·14
6	HIDES AND SKINS	Quantity ... ... Nos.	18,162,851	19,433,332	19,792,877
		Value ... ... £	2,677,767	2,943,575	2,998,684
		Percentage of dressed or manufactured to whole value	3·25	4·51	6·47
7	INDIGO	Quantity ... ... Cwts.	81,466	110,392	100,384
		Value ... ... £	2,576,302	2,875,062	2,962,785
		Average declared value per cwt. Rupees	316 3 10	260 7 0	295 2 7
		Average declared value per cwt. sterling at average exchange. £	29·27	23·48	25·19
8	TEA	Quantity ... ... lbs.	21,137,087	24,361,899	27,784,124
		Value ... ... £	1,937,429	2,166,417	2,607,425
		Average declared value per lb. Annas	As. 14/9	As. 14/3	As. 15/0
		Average declared value per lb. Shillings, at average exchange	1·70	1·60	1·60

No.	EXPORTS.	1874-75.	1875-76.	1876-77.
9	WHEAT ... Quantity ... Cwts.	1,069,076	2,498,185	5,583,336
	Value ... £	490,435	901,026	1,956,332
	Average declared value per cwt. Rupees	4 9 5	3 9 8	3 8 0
	Shillings, at average exchange	8·50	6 51	5·98
10	COFFEE ... Quantity ... Cwts.	311,831	371,986	302,489
	Value ... £	1,305,334	1,627,027	1,345,822
	Average declared value per cwt. Rupees	41 13 9	43 11 10	44 7 10
	Shillings, at average exchange	77·51	78·88	75·97
11	WOOL ... Raw and manufactures ... £	1,159,086	1,295,193	1,293,490
	Average declared value of raw wool per lb. Annas	As. 7/2	As. 5/9	As. 7/2
	Pence, at average exchange	9·99	9·95	9·22
12	SILK ... Raw and manufactures, value ... £	998,450	656,728	1,000,566
	Average declared value of raw silk per lb. Rupees	4 10 1	3 2 9	5 6 9
	Shillings, at average exchange	8·57	5·72	9·25
13	SUGAR ... Value ... £	319,238	253,937	925,196
14	LAC ... Value ... £	254,011	755,747	536,976
15	SALTPETRE ... Quantity ... Cwt.	553,330	415,080	466,218
	Value ... £	501,468	348,949	381,706
	Average declared value per cwt. Rupees	9 1 0	8 6 7	8 3 0
	Shillings, at average exchange	16·78	15·16	13·96
16	TEAK WOOD ... Quantity ... Cubic tons	42,868	60,612	45,108
	Value ... £	328,564	440,618	332,764
	Average declared value per cubic ton Rupees	76 11 5	72 11 0	73 12 4
	sterling at average rate £	7·09	6·83	6·29

A similar comparison of imports follows. Here *Cotton Goods* tower altogether ahead of any other items. They show some little decrease, though hardly as much as might have been expected to result from the falling prices. *Metals* are increasing quickly. No other articles require particular remarks :

PRINCIPAL IMPORTS.

	IMPORTS.	1874-75.	1875-76.	1876-77.
	COTTON—			
1	Twist and Yarn ... Quantity ... lbs.	37,097,260	31,927,340	33,270,208
	Value ... £	3,157,780	2,794,769	2,733,513
	Average declared value per lb. annas	...	14·00	13·14
	" " " pence at average exchange	...	1*s.* 6·93*d*	1*s.* 4·83*d.*
	Other manufactures ... Value ... £	16,263,560	16,463,875	16,008,532
	TOTAL COTTON GOODS ... £	19,421,340	19,258,644	18,742,067
	Re-exports—			
	Cotton (Foreign Merchandise)—			
	Twist and Yarn ... Quantity ... lbs.	*781,220*	*792,668*	*839,539*
	Value ... £	*56,249*	*57,424*	*58,423*
	Other manufactures ... Value ... £	*1,061,727*	*984,105*	*1,064,392*
	Total Re-exports	*1,117,976*	*1,041,529*	*1,122,815*
	TOTAL COTTON GOODS.—Net Imports ...	18,303,364	18,217,115	17,619,252
2	METALS ... ... Value £	2,607,122	3,308,522	3,721,007
3	LIQUORS ... ... " "	1,636,568	1,702,197	1,585,345
4	RAILWAY PLANT AND ROLLING-STOCK ... ... " "	780,867	1,079,105	1,194,145
5	SILK, Raw and Manufactured ... ... " "	1,583,405	1,404,235	1,037,957
6	MACHINERY AND MILL-WORK ... ... " "	1,185,943	1,406,870	963,504
	Quantity ... ... tons	360,252	388,480	523,384
7	COAL (excluding coke and patent fuel) ... Value ... ... £	685,720	647,562	918,309
	Average declared value per ton in Rupees ...	18·87	17·20	17·77
	Ditto in shillings at average exchange	34·94	31·01	30·34
8	WOOLLEN MANUFACTURES ... ... Value £	557,585	1,118,086	911,890
9	PROVISIONS ... ... " "	363,727	717,013	664,928
10	APPAREL ... ... " "	620,456	633,859	542,860
11	SPICES ... ... " "	179,126	395,988	432,991
	Quantity ... ... tons	277,085	365,252	298,776
12	SALT ... Value ... ... £	755,771	600,934	430,890
	Average declared value per ton in Rupees ...	27·28	16·45	14·42
	Ditto in shillings at average exchange	50·51	29·66	24·62
13	SUGAR ... ... Value £	516,564	895,929	403,607

N.B.—The amounts of total value in sterling are at 2 shillings per rupee.

Statistics, 1876-77.

The following Table illustrates the course of the values of Gold and Silver relatively to each other and to other commodities since March 1873, when the previously existing equilibrium below the two metals was first seriously disturbed :—

Values of certain typical Commodities in the month of December compared with their values in March 1873, (Values of March 1873=100).

	Measured in Gold,					Measured in Silver.*				
In London.—(*Prices quoted from the London Economist.*)	1873.	1874.	1875.	1876.	1877.	1873.	1874.	1875.	1876.	1877.
Scotch Pig Iron (warrants) ...	91	68	54	49	43	95	71	58	51	48
Coals, Hetton, Wallsend (London)	94	90	75	57	55	97	94	79	59	61
Copper, Chili Bars	93	93	92	85	74	96	97	98	90	82
Straits Tin	79	65	56	52	45	82	67	60	54	50
Wheat	112	81	83	91	94	115	84	88	96	104
Flour, town-made	111	82	90	82	98	114	85	96	86	109
Beef, inferior	125	110	128	98	85	129	115	136	102	94
Cotton, No. 40, Mule Twist ...	95	83	86	80	71	97	88	91	84	78
Wool, Southdown Hogs ...	96	89	85	80	76	99	93	91	85	84
Sugar, Foreign Muscovada ...	92	87	77	113	74	95	91	82	119	82
Coffee	124	97	105	101	98	128	101	111	106	109
Pepper	106	95	78	69	63	109	100	83	73	70
Saltpetre	86	80	83	87	98	86	82	88	92	109
Gold	...	...	...	...	...	103	104	106	105	111
Silver	97	96	94	95	90	...	...	...	...	...
In Calcutta.—(*Prices quoted from the Calcutta Price Current.*)										
Grey Shirtings (8¼ lbs.)						93	84	84	78	73
Mule Twist, white, good, No. 40						96	91	87	87	75
„ „ Turkey red, No. 40 (12 lbs.)						115	104	94	85	85
„ „ Orange, Nos. 40—60						107	93	87	90	83
Copper, Sheathing						102	100	102	93	83
Iron, flat, bolt, bar and square						115	89	78	68	60
Spelter, hard						114	118	148	143	130
Hides, buffalo, slaughtered						92	88	75	104	75
Indigo, good						110	*Nil.*	90	110	86
Jute, picked						144	137	125	150	147
Lacdye, fine						87	60	55	69	58
Shell Lac, fine orange						129	133	119	68	49
Linseed, fine bold clean						111	110	92	102	106
Rice, Ballam						165	153	135	159	168
Silk, raw, Cossimbazar						80	58	40	98	80
Sugar, Benares						94	87	87	88	*Nil.*
Tea, Good Souchong						114	123	104	123	100
Wheat, Deodiah						115	96	78	96	104
Gold						102	100	102	103	105

Remonetisation of silver in United States.

The most important event of the year bearing upon the value of silver is the remonetisation of that metal by the Legislature of the United States of America by an Act which was passed on the 28th February 1878, in spite of the President's veto, by a majority of two-thirds of the House of Representatives and the Senate respectively.

The text of the Act cannot reach India for some time; but the following is the Bill which, it is understood, was accepted by the Senate: it has been ascertained that the Act does not differ from it in essential particulars :—

An Act to authorise the free coinage of the standard silver dollar and to restore its legal-tender character.

Be it enacted, &c.—That there shall be coined, at the several mints of the United States, silver dollars of the weight of four hundred-and-twelve-and-a-half grains troy of standard silver, as provided in the Act of January 18th, 1837, on which shall be the devices and superscriptions provided by said Act, which coins, together with all silver dollars heretofore coined by the United States, of like weight and fineness, shall be a legal tender, at their nominal value, for all debts and dues, public and private, except when otherwise provided by contract; (and the Secretary of the Treasury is authorised and directed, out of any money in the Treasury not otherwise appropriated, to purchase from time to time silver bullion, at the market price thereof, not less than $2,000,000 per month, nor more than $4,000,000 per month, and cause the same to be coined into such dollars, and any gain or seigniorage arising from this coinage shall be accounted for and paid into the Treasury as provided under existing laws relative to the subsidiary coinage; provided that the amount of money at any one time invested in such silver bullion, exclusive of such resulting coin, shall not exceed $5,000,000).

* The values measured in silver in London have been calculated from the values in gold on the basis of the price of standard silver in London.

Section 2.—All Acts and parts of Acts inconsistent with the provisions of this Act are hereby repealed.

PROCEEDINGS OF LATIN UNION.

The proceedings of the Latin Union also may conveniently be recounted here. In 1873 the Belgian Government obtained from their Legislature authority to suspend or limit the coinage of 5-franc pieces. From 1874 the same principle was adopted by the States of the Latin Union, and, at the yearly meetings of their respective delegates, the limitation of the silver coinage was fixed as follows:—

	1874.	1875.	1876.	1877.
	£	£	£	£
France	2,400,000	3,000,000	2,160,000	1,080,000
Italy	2,400,000*	2,000,000	1,440,000	720,000
Belgium	480,000	600,000	432,000	216,000
Switzerland	320,000	400,000	288,000	144,000
Greece	...	...	480,000†	72,000
	5,600,000	6,000,000	4,800,000	2,232,000

* Inclusive of £800,000 special.

† Inclusive of £144,000 ordinary and £336,000 special.

At the meeting of the Conference which it was intended to hold in January 1877, the question of adopting a gold standard was to have been discussed; but the Conference was postponed to the end of the year, the several Powers forming the Union agreeing, meanwhile, to restrict the coinage of silver in 1877 to half the amounts authorised for 1876. The Conference was again deferred till February 1878, to fix the contingents of silver to be coined this year; but as a Conference will be necessary in October to consider whether the Union should be maintained in its present form, the delegates might decide on not meeting till then. Negotiations on the subject were going on at the end of January 1878. If the Latin Union be not denounced before the 1st January 1879, it can only be terminated at the end of another period of fifteen years. In 1875, the coinage of 5-franc pieces was, in Belgium, France and Italy, to the full extent permitted, while Switzerland refrained from issuing any. In 1877, France, Belgium and Switzerland did not coin any silver, but Italy coined to the full amount of her contingent. On 5th August 1876 a law was passed in France, authorising the President to keep the mints of France closed against the coinage of silver until January 1878; and in August 1876 he suspended entirely the coinage of silver, except for subsidiary purposes. In January 1878 M. Léon Say introduced into the French Senate a Bill to prolong the power of the Government to suspend the coinage of silver until the end of March 1879. After explanation, the Bill was carried without opposition. In December 1876 Belgium suspended the coinage of silver.

FINANCIAL AND COMMERCIAL STATISTICS, 1877-78.

The following are the figures of the Trade of the ten months April to January 1877-78, compared with the corresponding figures during the two previous years:—

	1875-76.	1876-77.	1877-78.
	£	£	£
Value of commodities exported excluding gold and silver ...	46,309,370	48,265,519	52,198,184
Value of commodities imported excluding gold and silver ...	30,826,294	30,398,721	34,458,782
Excess exports ...	15,483,076	17,866,798	17,739,402
Net imports of silver	966,336	5,628,814	278,765
Net imports of gold	1,486,222	—410,233	13,115,767
Total net imports of gold and silver	2,452,558	5,218,581	13,394,532
GRAND TOTAL IMPORTS AND EXPORTS OF ALL KINDS ...	83,120,841	91,355,711	104,099,507

Statistics, 1877-78.

Both imports and exports have increased largely, which indicates on the whole a prosperity which appears extraordinary when it is remembered that the Famine which has during this period afflicted the whole of Southern India is estimated to cost 9¾ million sterling in all and 6½ million in 1877-78, and that Upper India lost almost the whole of its autumn harvest.

In the following table the statistics of the principal staples exported to Foreign Countries during the first ten months of the year are compared with the corresponding statistics of the two previous years. The cause of the decreased quantity of *Opium* exported, and of its increased average value, is the drought in Malwa. *Cotton, Raw*, shows again a large decrease, partly compensated by a small increase of *Cotton Manufactures*, as more mills come into work. The astonishing growth of the exports of *Seeds*, *Rice*, *Jute*, and *Wheat*, notwithstanding the pressure of the famine in Southern India, with consequent high prices, may perhaps be, to a great extent, attributed to the Turco-Russian War: Russian supplies having been interrupted, India has replaced them. The movement of these staples has doubtless produced the great traffic on the East Indian and Great Indian Peninsula Railways which has been already reviewed. *Tea* has done well, the average declared value being but little lower than last year. *Coffee*, too, has prospered. The only article besides *Cotton, Raw*, which shows a serious decrease is *Lac*, but this article is comparatively unimportant.

EXPORTS.

No.	Exports.			Ten Months, 1st April to 31st January		
				1875-76.	1876-77.	1877-78.
1	Opium ...	Quantity	Chests	73,095	81,613	77,385
		Value	£	9,186,788	10,490,687	10,264,066
		Average value per chest ...	Rs.	1,256-13-3	1,285-5-0	1,325-1-2
2	Cotton, Raw	Quantity	Cwts.	4,295,871	3,561,477	2,585,377
		Value	£	11,476,987	8,968,014	6,949,554
		Average value per lb. ...	Rs.	0-3-9	0-3-7	0-3-10
	Manufactures—					
	Twist and Yarn ...	Quantity	lb.	4,587,225	6,817,270	12,779,989
		Value	£	196,768	316,636	558,913
		Average value per lb. ...	Rs.	0-6-10	0-7-5	0-6-11
	Other manufactures—Value		£	326,201	375,860	392,895
	Total Cotton (Raw and Manufactured) ...			11,999,957	9,660,510	7,901,362
3	Seeds ...	Quantity	Cwts.	8,514,379	8,559,184	11,239,493
		Value	£	4,414,548	4,688,529	6,758,930
		Average value per cwt. ...	Rs.	5-2-11	5-7-8	6-0-2
4	Rice and Paddy ...	Quantity	Cwts.	13,045,994	11,658,224	10,151,382
		Value	£	3,549,719	3,397,812	4,005,110
		Average value per cwt. ...	Rs.	2-11-6	2-14-8	3-15-1
5	Jute (Raw and Manufactured)—Value ...		£	2,639,630	2,895,432	3,679,332
6	Hides and Skins ...	Quantity	No.	534,504	495,367	709,351
		Value	£	2,378,801	3,309,783	2,990,696
		Average value of each ...	Rs.	44-8-1	66-13-0	42-2-1
7	Wheat ...	Quantity	Cwts.	2,155,626	4,839,290	6,206,669
		Value	£	775,554	1,673,400	2,790,304
		Average value per cwt. ...	Rs.	3-9-6	3-7-4	4-7-11
8	Tea ...	Quantity	lb.	21,254,915	25,186,248	30,306,610
		Value	£	1,899,961	2,361,799	2,770,735
		Average value per lb. ...	Rs.	0-14-4	0-15-0	0-14-8

Statistics, 1877-78.

EXPORTS.

No.	EXPORTS.			TEN MONTHS, 1ST APRIL TO 31ST JANUARY		
				1875-76.	1876-77.	1877-78.
9	INDIGO ...	Quantity	Cwts.	78,004	83,443	90,577
		Value	£	2,037,990	2,450,385	2,632,728
		Average value per cwt. ...	Rs.	261-4-3	293-10-9	290-10-7
10	WOOL (Raw and Manufactured)—Value ...		£	1,061,452	1,079,667	939,198
11	COFFEE ...	Quantity	Cwts.	164,692	168,552	191,693
		Value	£	662,275	722,544	846,358
		Average value per cwt. ...	Rs.	40-3-5	42-13-11	44-2-5
12	SILK (Raw and Manufactured)		£	431,870	801,388	766,098
13	SUGAR		£	94,465	425,940	447,616
14	TEAK ...	Quantity	C. tons	48,776	35,771	44,773
		Value	£	356,332	263,504	314,179
		Average value per ton ...	Rs.	73-0-11	73-10-8	70-2-9
15	SALTPETRE...	Quantity	Cwts.	300,501	369,887	311,682
		Value	£	254,955	302,734	304,068
		Average value per cwt. ...	Rs.	8-7-9	8-2-11	9-12-1
16	LAC		£	593,588	425,327	299,599

Next follow similar comparative statistics of imports. Here *Cotton Goods* show a large and important increase, though at some sacrifice of price. *Metals* also once more show an increase. *Liquors, Silk, Railway Plant, Coal, Provisions, Sugar* show more or less considerable growth. The Trade of India this year is certainly flourishing.

IMPORTS.

No.	IMPORTS.			TEN MONTHS, 1ST APRIL TO 31ST JANUARY		
				1875-76.	1876-77.	1877-78.
1	COTTON—					
	Twist and yarn	Quantity ...	lbs.	25,923,585	26,724,669	30,869,949
		Value ...	£	2,286,139	2,230,355	2,425,139
		Average value per lb.	Rs.	0 14 1	0 13 4	0 12 7
		Ditto in sterling average exchange		.....	1*s.* 5*d.*	1*s.* 4½*d.*
	Other manufactures ...	Value ...	£	13,097,382	13,056,417	14,512,200
		TOTAL COTTON GOODS ...		15,383,521	15,286,772	16,937,339
	Re-exported—					
	Twist and Yarn	*Quantity ...*	lbs.	*701,646*	*614,051*	*736,160*
		Value ...	£	*50,656*	*43,119*	*49,811*
		Average value per lb.	Rs.	*0 11 7*	*0 11 3*	*0 10 10*
	Other manufactures of— ...	*Value ...*	£	*819,803*	*859,708*	*875,357*
	Total Re-exports			*870,459*	*902,827*	*925,168*
	TOTAL COTTON GOODS—Net Imports			14,513,062	14,383,845	16,012,171
2	METALS			2,532,541	2,892,837	3,008,203
3	LIQUORS			1,194,828	1,286,521	1,431,368
4	SILK, Raw and Manufactured			1,126,452	831,428	1,270,782
5	RAILWAY PLANT AND ROLLING-STOCK			931,228	1,013,812	1,227,075
6	WOOLLEN MANUFACTURES			855,038	823,119	849,434
7	COAL (excluding Coke and Patent Fuel)—	Quantity	Tons	263,887	348,345	469,443
		Value	£	431,877	644,818	765,183
		Average value per ton ...	Rs.	16 5 10	18 8 2	16 4 9
8	MACHINERY AND MILL-WORK			1,243,685	803,705	724,078
9	PROVISIONS			557,021	535,493	714,623
10	SUGAR			618,830	349,755	657,043
11	APPAREL			548,600	460,712	491,178
12	SPICES			315,656	367,875	390,653
13	SALT	Quantity ...	Tons	302,894	255,504	217,202
		Value ...	£	505,026	363,679	324,628
		Average value per ton	Rs.	16 10 9	14 3 9	14 10 9

Statistics, 1877-78.

STATISTICS.

The following Miscellaneous Statistics for 1877-78 are given in continuation of those presented in the Review of 1876-77:—

Maximum price of an oz. troy standard silver in London	...	...	55⅝ (8th October).
Minimum ditto ditto	...	...	53½ (21st June).
Maximum price of a sovereign in Calcutta Rs. ...	...	...	11-14 (5th September).
Minimum ditto ditto ...	...	...	11-4 (18th April).
Coined in gold by Germany	...	...	£6,104,000
Ditto in silver	...	...	£1,665,000
Average rate of exchange on Secretary of State's Bills	...	...	1*s.* 8·79*d.*
Maximum ditto ditto	...	...	1*s.* 9·74*d.* (18th April).
Minimum ditto ditto	...	...	1*s.* 8·51*d.* (23rd January).
Fixed rate of exchange for the adjustment of transactions between the Indian and Imperial Treasuries	...	...	1*s.* 9⅓*d.*
Maximum rate of discount on loans on demand (Bank of Bengal, Calcutta)			12 (10th May).
Minimum ditto ditto ...	...	...	5 (July and January).
Maximum rate of discount, Bank of England ...	...	...	5 (October).
Minimum ditto ditto ...	...	...	2 (frequently).
Maximum yearly balance, Presidency Banks (January)		...	£7,575,400.
Minimum ditto ditto (April)		...	£3,672,200.
Government of India Four Per cent. Rupee Securities.			Rs. A.
Maximum price in Calcutta	...	...	98 4 (27th June).
Minimum ditto	...	...	92 0 (8th September).
Price of loan of £2,499,700	...	...	96 7 (8th July).
Maximum price in London in gold (enfaced) ...	...	...	84 8 (July).
Minimum ditto	...	...	80 12 (September).
Maximum enfaced for payment of interest by draft in London on India		...	(8th March) £14,400,234
Minimum ditto ditto ...	...	...	(25th June) £13,051,744
Maximum price of Secretary of State's Sterling Four per cent. Bonds		...	104⅓
Minimum ditto ditto		...	100¾
Number of Money Order Offices open ...	...	...	310
Number of Money Orders Issued	...	...	134,959
Amount of ditto	...	...	485,478
Average amount of each Order	...	...	Rs. 35-15-7
Number of Savings Banks	...	...	342
Number of Depositors in ditto	...	...	83,283
Amount deposited	...	...	£1,926,375
Average amount of each Deposit	...	...	Rs. 231
Net reduction of Deposits	...	...	£9,814
Maximum Government Paper Currency Outstanding		...	£15,757,790 (15th Jan.)
Minimum ditto ditto ...	...	...	£11,130,528 (30th Apl.)

The value of silver and the sterling exchanges have been remarkably steady throughout the year and have even manifested some recovery. The recent unprecedented inflation of the Government Paper Currency is connected no doubt with the great importations of silver during the year, and to the reaction upon the rather sudden cessation of the grain traffic with Madras in November last.

By order of the Government of India,

FORT WILLIAM,
FINANCIAL DEPARTMENT,
March 18th, 1878.

R. B. CHAPMAN,
Secretary to the Government of India.

DEPARTMENT OF REVENUE, AGRICULTURE AND COMMERCE.

NOTIFICATIONS.—SEA CUSTOMS.

Calcutta, the 18th March 1878.

No. 43.—In exercise of the powers conferred by Section 6 of the Indian Tariff Act, 1875, the Governor-General in Council is pleased to exempt the goods hereinafter named from all import duties to which they are liable under the numbers of Schedule A of the said Act entered in column one of the following list :—

Number in Schedule A.	Names of Articles.
3	Brushes, all sorts.
4	Building and Engineering materials.
5	Cabinet-ware and Furniture.
6	Candles.
7	Canes, Ratans, Articles made of Cane or Ratan, and Basket work.
8	Carriages and component parts thereof.
9	Chemical Products and Preparations.
12	Coir and Articles made of Coir.
14	Cordage and Rope made of any Vegetable fibre.
16	Cotton, raw.
	Cotton, Grey Piece-goods, *viz.* :—
	T cloths under 18 reed, jeans, domestics, sheetings and drills, shown to the satisfaction of the Customs-Collector, whose decision shall be final, to be of the dimensions, weights, counts and qualities now generally known under those descriptions, and to contain no yarn of a higher number than 30s.
	Cotton Twist :
	Mule, No. 32 and lower numbers.
	Water, No. 20 and lower numbers.
21	Flax and Articles made of Flax.
22	Fruits and Vegetables.
26	Hemp and Articles made of Hemp.
27	Hides and Skins.
28	Instruments and Apparatus, except musical.
31	Leather and Articles made of Leather, including Boots, Shoes, Harness and Saddlery.
34	Mats.
36	Military and other Uniforms and Accoutrements.
37	Naval Stores.
38	Oils.
39	Oil and Floor-cloth.
42	Paper, *viz.* :—Wall-paper.
44	Piece-goods made of Jute.
45	Pipes and other Implements used in the Consumption of Tobacco.
46	Pitch, Tar and Dammer.
48	Railway Materials.
50	Seeds.
53	Soap.
59	Toilet Requisites.

This Notification shall take effect on and after the 20th March 1878.

SALT.

The 18th March 1878.

No. 85.—In exercise of the powers conferred by Section 5 of the Inland Customs Act, 1875, the Governor-General in Council is pleased to remit the export duties leviable on Sugar under Notifications No. 179, dated the 9th June 1875, and No. 156, dated the 30th June 1876.

All rules published under the last-named Notification, in so far as they refer to Sugar or to the export duties on Sugar, are hereby cancelled.

This Notification shall take effect on and after the 1st April 1878, but nothing herein contained shall apply to any Sugar in respect of which a *rawanna* has been granted, or which has been booked through for export by a State Railway, without prepayment of full duty, before that date.

G. H. M. BATTEN,

Offg. Secretary to the Government of India.

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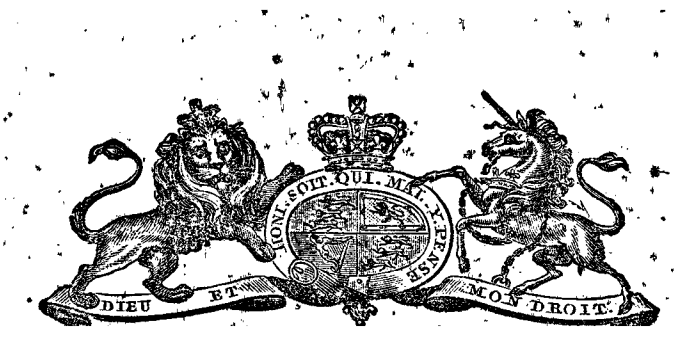
GOVERNMENT OF INDIA.

FINANCIAL DEPARTMENT.

FINANCIAL STATEMENTS

FOR

1879-80.



CALCUTTA:
OFFICE OF THE SUPERINTENDENT OF GOVERNMENT PRINTING.
1879.

FINANCIAL STATEMENT FOR 1879-80.

ACCOUNTS OF BRITISH INDIA FOR THE YEAR 1877-78, THE LATEST ESTIMATES FOR THE YEAR 1878-79, AND THE FIRST ESTIMATES FOR THE YEAR 1879-80.

FINANCIAL DEPARTMENT.

No. 1249, dated 13th March 1879.

RESOLUTION—By the Government of India, FINANCIAL DEPARTMENT.

PRELIMINARY.

ACCOUNTS AND ESTIMATE PRESENTED.

1. THE Accounts of the PUBLIC REVENUE and EXPENDITURE and RECEIPTS and DISBURSEMENTS of British India in 1877-78 are hereto annexed, together with the Regular Estimates, based upon the latest information in the possession of the Government, of the REVENUE and EXPENDITURE and RECEIPTS and DISBURSEMENTS of 1878-79, and the Budget Estimates of the REVENUE and EXPENDITURE and RECEIPTS and DISBURSEMENTS of 1879-80.

DEFINITION OF REVENUE AND EXPENDITURE AND RECEIPTS AND DISBURSEMENTS.

2. In these documents the term REVENUE is confined to money which is received into the Public Treasury neither in repayment of a Loan, Advance or Deposit, nor as a Loan, Advance or Deposit to be repaid; and the term EXPENDITURE is confined to money disbursed from the Public Treasury, neither in repayment of a Loan, Advance or Deposit, nor as a Loan, Advance or Deposit to be repaid. Thus the difference between the PUBLIC REVENUE and the PUBLIC EXPENDITURE recorded in the Public Accounts of each year ought to represent the addition to or reduction of the PUBLIC DEBT of all kinds during the year.

ACCOUNTS OF 1877-78 DO NOT INCLUDE LOCAL TRANSACTIONS, AS DO ESTIMATES OF FOLLOWING YEARS.

3. In the Accounts of 1877-78 are recorded only the Imperial and Provincial Revenue and Expenditure; the Local Revenue and Expenditure being treated separately, and appearing in the Accounts under Debt only, that is to say, as Deposits and Repayments. In the Estimates of 1878-79 and 1879-80 the Local Revenue and Expenditure is incorporated with the rest of the Public Revenue and Expenditure, in the Accounts of which will henceforth be recorded all Public Revenue and Expenditure, excluding only the Accounts of Municipalities, Port Trusts, and other exclusively local and fiduciary Bodies.

EXCLUDED LOCAL FUNDS.

4. The Accounts of such of these Bodies as bank with the Government will be recorded under a separate Major Head in the Debt portion of the Accounts (see, for example, Headings Nos. III and 2 in the appended Abstract Statement No. IV). But the chief of these Bodies, such for instance as the Presidency Municipalities and Port Trusts, do not bank with the Government at all. Their

transactions do not therefore appear in any shape in the Public Accounts. The policy of the Government is to promote the entire independence of these Bodies and of their responsibility for their finances.

CHANGES OF FORM AND GENERAL REMARKS.

CHANGES OF FORM.

5. The following changes have been made in the Forms of the Accounts since last year.

NEW MAJOR HEADS OF REVENUE.

MINOR DEPARTMENTS.

MEDICAL SERVICES.

STATIONERY AND PRINTING.

6. It has been considered advisable to open three new Major Heads of Revenue in order to shew separately the Revenue which may be set against the Expenditure recorded under 17 *Minor Departments*, 23 *Medical* and 24 *Stationery and Printing*. Under *XIV Minor Departments* will be recorded the proceeds-sales of the produce of the Government Chinchona Plantations, upon which considerable sums have been spent for some years past, and of Model Farms; also Emigration Fees, including the Inland Labour Transport Fund in Bengal, and the like. Under *XIX Medical* will be shown Contributions by Municipalities for Medical Services, the proceeds-sales of medicines supplied to Charitable Dispensaries and the income of Lunatic Asylums, &c. Under *XX Stationery and Printing* will appear the subscriptions to the Government Gazettes and the receipts for books, publications and stationery sold. All these items have hitherto been grouped under *XXIII Miscellaneous*; but the importance of some of them is growing, and that of others has been so increased by the incorporation of Local Funds that they deserve independent exhibition.

ONLY RATES ON LAND TO BE RECORDED UNDER PROVINCIAL RATES.

7. Under the Head *VI Provincial Rates* were shown in this year's Estimates the whole of the Incorporated Local Revenues. The bulk of this Revenue is derived from Rates and Cesses levied upon the revenue or rent of land for various objects, such as Public Works, Education, Local Posts, &c. It is considered expedient to restrict this Head exclusively to the exhibition of these Rates and Cesses, transferring the remaining items of Local Revenue to their appropriate Heads as detailed in paragraph 56.

ADJUSTING HEADS PROVINCIAL AND LOCAL DEFICITS AND SURPLUSES.

8. Owing to the incorporation of the Local Revenue and Expenditure, the adjusting entries under Heads XXIX & 36 will henceforth necessarily include the LOCAL as well as the PROVINCIAL Surpluses or Deficits. Hence these Heads will in future be styled *Provincial and Local Deficits or Surpluses*.

PROCEDURE UPON OCCURRENCE OF PROVINCIAL DEFICIT.

OR PROVINCIAL AND LOCAL SURPLUS.

9. By their contract arrangements with the Supreme Government, the Provincial Governments must surrender to the Imperial Treasury from the balances at their credit any deficiency in their Provincial Revenue compared with their Provincial Expenditure. If they have no such balances, the Imperial Treasury bears the loss for the time: no credit is taken under *XXIX Provincial and Local Deficits* for a debt due from any defaulting Provincial Government until the debt is actually paid. On the other hand, the Provincial Governments are entitled to receive from the Imperial Treasury any sums by which their Provincial and Local Expenditure falls short of their Provincial and Local Revenues, such Surplus being added to the balances at their credit. Thus, the effect of the entries under the two Heads XXIX & 36 *Provincial and Local Deficits and Surpluses*, is to bring the whole of the Provincial and Local Revenue and Expenditure incorporated in the General Account into exact equilibrium, so that the incorporation of that Revenue and Expenditure produces no effect upon the Surplus or Deficit of the General Account, and might be eliminated without any disturbance of that result.

PROCEDURE ON OCCURRENCE OF LOCAL DEFICIT.

10. The Provincial Governments are, in their turn, responsible for the solvency of the INCORPORATED LOCAL FUNDS; and, as any Provincial deficiency is borne, until (if ever) it is recovered, by the Imperial Treasury, so, if the Expenditure from any Incorporated Local Fund exhausts the balance at its credit, the difference must be immediately made good from the Provincial Revenues until, if ever, the Provincial Government recovers it. The effect of these arrangements is that, in the General Accounts of Revenue and Expendi-

ture, no credit is taken for any unpaid debt, either from Local Funds to the Provincial Treasuries, or from the Provincial Treasuries to the Imperial Treasury. Changes of form.

11. It is, for obvious reasons, indispensable that the yearly Expenditure of a State shall not ordinarily exceed its yearly Revenue except for reasons deliberately accepted as sufficient, as, for example, in India, for the capital cost of Productive Public Works constructed for the development of the resources of the country. The financial condition of that State is unsound whose yearly Public Revenues, rigidly criticised, are habitually less than its whole yearly Public Expenditure excepting only that portion which may be confidently trusted to produce a revenue at least sufficient to cover the interest on the excess Public Debt which results from it. Necessity for Surplus upon whole Ordinary Account.

12. But this principle is much modified in its application to the Provincial Finances of the Indian Local Governments. These Governments are not allowed to incur debt; even borrowed money invested in Productive Public Works for which the Local Governments are wholly responsible to the Imperial Treasury, being treated as a Debt of the Imperial Government, differing in no respect from the rest of the Public Debt of India. The Local Debenture Loans to be issued for Local purposes which will be presently described, will form no exception to this rule: legally and practically, they will be part of the Public Debt of India, and not, in any sense, Debts of the Local Governments although they will issue them and be responsible to the Government of India for the interest upon them. Does not apply fully to Provincial and Local Funds, which cannot incur Debt.

13. In short, the arrangements made during the past few years, and still in course of development, for the provincial management of Provincial Finances are domestic arrangements between the Government of India and the Local Governments, affecting, indeed, intimately, their rights and obligations in relation to each other, but not their relations to any one else. The Provincial Contracts are Domestic Arrangements.

14. It follows that, subject only to the condition that it shall never exhaust its balances in the Imperial Treasury and shall, further, ordinarily, maintain such sufficient reserve at its credit there, to provide for the contingencies to which it is exposed, as so substantial a constituent would be expected to keep in the hands of his bankers, a Local Government may spend its Revenues without any precise regard to the equilibrium of the year. So long, therefore, as a Local Government does not incur debt (which is absolutely forbidden), there is no objection to its spending more than its Revenue during the year. Indeed, one important advantage of the system is that the Local Governments are set free from the restriction that their yearly expenditure shall never exceed their yearly income—a restriction which, however essential to the financial welfare of the State as a whole, cannot always be conveniently applied to sections of the Administration. Local Governments may incur deficits if they do not overdraw their Accounts.

15. The principles thus described as regulating the management of Provincial Finances also regulate the management of the Local Finances which are subordinate to the Provincial Governments. It rests with the Imperial Government to prevent the Local Governments from overdrawing their Accounts with the Imperial Treasury, and with the Provincial Governments to enforce the same wholesome rule upon the Managers of the Incorporated Local Funds. The penalty for any default falls immediately upon the Imperial or Provincial Treasury, as the case may be. So also with Local Committees.

16. Under instructions from Her Majesty's Secretary of State a new Abstract Statement, No. II, was added last year in the form in which the Accounts of British India are now presented to Parliament. In this form are separately shown, on the one hand, the gross Revenue derived from *Productive Public Works* (formerly styled *Public Works Extraordinary* and the net Revenue from the Railways and Irrigation Works on the Capital cost of which interest is guaranteed from the Public Revenues; and on the other hand, the working expenses of the Productive Public Works together with the guaranteed interest actually paid, and interest calculated upon the Capital cost of the State works which yield the Revenue thus separately shown, and any other current Expenditure upon both classes of works. Statement No. II constructed to illustrate finances of Productive Public Works.

Changes of form.

NOT YET COMPLETE.

17. The separation is not yet complete. The Government has not yet succeeded in ascertaining the increase of the Land Revenue which may be properly attributed to Productive Public Works in the MADRAS Presidency; and the considerable Gain and Loss by Exchange which arise out of the transactions thus eliminated from the Accounts of the rest of the Public Revenue and Expenditure are, not yet, included in this separate category. There are other less important items which ought also to be incorporated in this separate Schedule before it can be regarded as really complete.

TO BE CONFINED TO WORKS TREATED AS PRODUCTIVE PUBLIC WORKS.

EXCLUDING OTHER WORKS WHICH PRODUCE REVENUE.

EXAMPLES IN BENGAL,

THE NORTH-WESTERN PROVINCES,

AND UNDER THE GOVERNMENT OF INDIA.

18. Meanwhile it would be contrary to the intention and object of this Separate Account to admit to it any Revenue derived from works the main Capital cost of which is not included in the amount upon which the interest separately shown in the Account is calculated, or any Expenditure upon such works. The Public Expenditure upon Railways and Works of Irrigation is not, however, by any means confined to works treated in the Accounts as *Productive Public Works*. In BENGAL, for example, the Calcutta Canals and Nuddea Rivers yield considerable Provincial Revenue and involve considerable Provincial Expenditure; in the NORTH-WESTERN PROVINCES the *Eastern Jumna Canal*, yielding a Revenue of more than £50,000, has not yet been treated as a Productive Public Work, because its capital cost cannot be fully ascertained and has not appeared in the Public Accounts under the Head 39, *Productive Public Works;* and the Local Government has subscribed from Provincial Funds part of the capital cost of the *Mathura-Hatras* and *Ghazipore-Dildarnagar* Railways; and the Government of INDIA has now in hand several small Railways to be constructed principally for the Salt traffic. Then, again, there are surveys for both Canals and Railways, and the like, which cost money, though they do not always result in the construction of *Productive Public Works*.

ERROR IN ESTIMATES OF 1878-79.

19. It was intended to record all this class of expenditure and the revenue derived therefrom in this year's estimates under 31 and XXIV *Public Works Ordinary;* but this intention was not accurately fulfilled, the items grouped in the Separate Account of Productive Public Works having, accidentally, included the revenue and expenditure of the Eastern Jumna Canal and other Works, not Productive Public Works. This year the incorporation of Local Funds adds largely to works of this class.

HEADS OF IRRIGATION AND STATE RAILWAYS HEREAFTER TO INCLUDE ALL APPROPRIATE REVENUE AND EXPENDITURE OF SUCH WORKS.

20. It seems better, therefore, on every consideration, to include all such revenue and expenditure, in the first instance, under the General Headings XXV. and 32, *Irrigation* (adding to it *Navigation*) and XXVII and 34, *State Railways*, and, then, as is already done with 1, *Interest*, to abstract for the Separate Account of Productive Public Works, the items which alone belong thereto. The Accounts of 1877-78, as well as the Original Estimates of 1878-79, have been re-classified upon this plan.

EXCESS LAND REVENUE DUE TO PRODUCTIVE IRRIGATION WORKS.

21. The Government has determined to include in the Productive Public Works Statement, this year, as much of the increased land revenue due to Irrigation as can be approximately ascertained. The amount thus shown in the Separate Schedule under *I, Land Revenue* belongs to the NORTH-WESTERN PROVINCES, the PUNJAB, and BOMBAY. It should be understood that these figures are only estimates made upon such basis of facts as can be discovered; often, no distinction was made when the revenue was assessed, between the portion of the land revenue attributed to these works of Irrigation and the remainder which would be recovered if no Irrigation were provided; and, if such a distinction actually had been made it would frequently have been arbitrary. It is certain that, generally, by reason of these works more land revenue is collected than would be collected if they did not exist; but what is the precise amount thus in excess, is a question which can, often, be answered only conjecturally, according to experience and individual opinion.

MADRAS CANAL COMPANY SEPARATED.

22. The transactions of the State with the *Madras Irrigation and Canal Company* have been separated off from the transactions with the Guaranteed Railway Companies.

23. ABSTRACT STATEMENT No. III has been re-cast so as to show the Revenue and Expenditure under each Head classified as *Imperial*, *Provincial* and *Local* respectively, together with the Provincial and Local Surpluses or Deficits, and the Opening and Closing Provincial and Local Balances. The Statement thus recast exhibits clearly the financial condition of the Provincial Governments and the general operation of the contract arrangements with them. Moreover the use of italic or transfer Heads is for the most part obviated. The share of the License Tax and the Famine Cess appropriated by the Imperial Treasury as an Insurance against Famine, and the portion of the Canal Revenue in the North-Western Provinces reserved by the Supreme Government when the Canals in those Provinces were handed over to Provincial use and management, are now simply removed from the Provincial Column to the Imperial Column of this Statement. On the other hand, the payments by Local Governments as interest on the capital cost of their Productive Public Works, and for stamps and stationery supplied from the imperial central stores, are, in the same way, abstracted from the Imperial Column and added in the Provincial Column.

Changes of form.

RE-ARRANGEMENT OF ABSTRACT No. III.

TRANSFER HEADS OBVIATED.

DEVELOPMENT OF PROVINCIAL SYSTEM IN BRITISH BURMAH AND ASSAM.

24. The Provincial Contracts with BRITISH BURMAH and ASSAM have been revised and greatly expanded with effect from the beginning of 1878-79. A new feature in the arrangements with these Provinces is that, in place of a Fixed Allotment, a share of the net reserved Imperial Revenues has been assigned to them, so that the Provincial Finances will participate in any improvement of those Revenues. Thus the Public Revenue and Expenditure in BRITISH BURMAH and ASSAM is now divided into (1) *Wholly Imperial*, (2) *Wholly Provincial* and (3) *Jointly Imperial and Provincial*. With the exception of the Army, the wholly imperial portion is not important in either Province; in Burmah, it is insignificant.

DEVELOPMENT OF PROVINCIAL SYSTEM IN BURMAH AND ASSAM.

SUBSTITUTION OF SHARE OF RESERVED REVENUE FOR FIXED ALLOTMENTS.

25. Owing to the geographical isolation of BRITISH BURMAH from India, there are no such difficulties there as impede the complete surrender of some important items of Revenue and Expenditure to Provincial use and management elsewhere. For example, the *Salt* and *Customs* Revenue levied in BOMBAY, CALCUTTA and UPPER INDIA cannot be divided among the several Provinces from whose consumption those Revenues are obtained: but, in BURMAH, there is no such obstacle. Consequently, the Government of India has been able to make with this Province the most complete Provincial Contract yet existing; only a few items, *viz.*, *the Army*, the *Post Office* and *Telegraphs*, the *Account Office*, *Political Service* and the *Movement of funds*, have been retained as wholly Imperial. A few more items, *viz.*, the *Land Revenue* (excluding *Fisheries*), the *Export Duties* on Rice and Paddy, and *Salt*, with the corresponding *Refunds* and *Charges*, including, under 4 *Land Revenue*, only the *Charges of collection*, *Survey* and *Settlements*, have been treated as Joint to be divided between the Imperial and Provincial Treasuries. All the rest of the Revenue and Expenditure has been made "Wholly Provincial."

COMPLETE ARRANGEMENT WITH BURMAH.

26. The scheme is to some extent experimental; but it has been framed on a basis calculated to give to the Chief Commissioner a much needed increase of Provincial Resources. It is believed that some judicious public expenditure in Burmah will yield especially valuable financial results; and the Government of India only regrets that it cannot under existing circumstances make even more liberal concessions to that Province. In ASSAM also the Resources of the Chief Commissioner have been improved. With the exception of the substitution of a share of the joint Revenues for a Fixed Allotment, the new arrangements, there, follow closely the contract with BENGAL, so that there will be no difficulty in this respect in the re-union of the two Provinces, in case this measure should, at any future time, be adopted.

INCREASE TO PROVINCIAL RESOURCES OF BURMAH, AND ASSAM.

27. The general effect of the new arrangements with the two Provinces may be gathered from a comparison of the Local Estimates which were

GENERAL EFFECT OF THESE ARRANGEMENTS IN BURMAH AND ASSAM.

Preliminary.

Development of Provincial System in British Burmah and Assam.

prepared upon the old basis with the Estimates recast by the Government of India upon the new basis as follows:—

Provincial and Local Revenue and Expenditure of Assam and British Burmah for 1878-79 (Regular Estimates) and 1879-80 (Budget Estimates).

	ASSAM.				BRITISH BURMAH.			
	Local Estimates.		Revised by Govt. of India.		Local Estimates.		Revised by Govt. of India.	
	1878-79.	1879-80.	1878-79.	1879-80.	1878-79.	1879-80.	1878-79.	1879-80.
	£	£	£	£	£	£	£	£
Revenue	211,500	211,000	365,700	359,600	401,300	407,800	945,900	967,300
Expenditure	225,300	226,100	348,000	356,600	416,900	511,100	892,600	1,019,900
Surplus...	...	...	17,700	3,000	...	...	53,300	...
Deficit	13,800	15,100	...	...	15,600	103,300	...	52,600
Closing Balance	20,600	5,500	52,100	55,100	87,300	16,100	156,200	143,600

Improvement of Provincial Resources.

27. This table shows that the effect of the measure in these two years, is the addition of £49,600 to the Provincial and Local Revenues of Assam, and £159,600 to those of British Burmah. From this last sum may properly be deducted £20,000, which, although not in the contract, the Government of India has, in practice, been compelled yearly to assign specially to British Burmah. But the residue constitutes a substantial and much needed addition to the means at the disposal of the Chief Commissioner. In both Provinces it is, moreover intended to increase the Local Cesses for Local purposes; and the Provincial Revenues will now contain elements of growth. On the whole, it may be hoped that the wants of these two undeveloped Provinces have now been supplied for some time to come. In any case it will be manifestly difficult for the Government of India soon to surrender to them any more of the General Resources.

LOCAL DEBENTURE LOANS.

Local Debenture Loans.

28. As a further development of the policy of provincial management of Provincial Finances, it is intended to issue, as opportunity offers, Local Debenture Loans the proceeds of which will be devoted to particular works. These Debenture Loans will be part of the Registered Debt of India; and, technically and legally, the security for them will be the same as the security for the rest of the Registered Debt, namely, the whole Public Revenue of India. They will differ from the General Loans as follows:—

1st.—The interest upon them will not be payable at or near the Presidency Towns, but only locally, in the neighbourhood of the works for the construction of which they are raised.

2nd.—They will be raised in the name of the Local Governments, who will be responsible to the Government of India for the due discharge of all obligations arising out of them.

3rd.—The debenture-holders will receive, besides their interest, a share of the profits of the works constructed with their money; and, although allowed no property in the works, will be invited to assist in their management, as has been already successfully done in the case of the *Mathura-Hatras* Local Railway.

Their Objects.

29. It is hoped, by this expedient, to draw out local resources which might otherwise continue latent, and to promote the success of the works by giving to the debenture-holders a pecuniary interest in them, and taking advantage of their knowledge of local requirements and native habits and wants.

LOANS TO MUNICIPALITIES.

Loans to Municipalities.

30. There has been a change in the policy of the Government as respects Loans to Municipalities and other Corporations. For some years past, these Bodies have borrowed all the money which they have required, from the Public

Treasury which could afford to lend them money rather more cheaply than they could obtain it in the open market. This plan had this advantage, that the Registered Public Debt of India represented, substantially, the whole debt of the country, including the debts of these Corporations. But the demands upon the Imperial Treasury for the capital cost of State Works are now so considerable, compared with the limits of its resources, that the Government can no longer afford to extend this aid to these independent Bodies; and they will, henceforth be, generally, left to borrow in the open market for themselves, always under strict State supervision. The Government is, however, still pledged to some Loans to these Bodies which are in course of expenditure; and it cannot, always, thus throw Native States or the smaller Municipalities in the Interior upon their own resources. The total Loans of this character outstanding on the 31st March 1878 were as follows :—

Loans to Municipalities.

To be no longer granted.

	£
Presidency Corporations	5,173,221
Native States	1,221,744
Landholders and Notabilities	548,183
Smaller Municipalities	163,478
District Committees	126,984
TOTAL ...	£7,233,610

ACCOUNTS OF 1877-78.

31. In the following Synopsis, the Finance and Revenue Accounts of British India for 1877-78 are compared with the Regular and Original Estimates of the year, and with the Accounts of the preceding year (1876-77) :—

Accounts 1877-78. Comparisons.

	Accounts, 1876-77.	1877-78. Original Estimates.	1877-78. Regular Estimates.	1877-78. Accounts.	Accounts of 1877-78, compared with Regular Estimates. Better.	Regular Estimates. Worse.	Original Estimates, 1877-78. Better.	Original Estimates, 1877-78. Worse.	Accounts, 1876-77. Better.	Accounts, 1876-77. Worse.
	£	£	£	£	£	£	£	£	£	£
Expenditure	58,178,563	56,932,600	62,039,000	62,512,388	...	473,388	...	5,579,788	...	4,333,825
Revenue	55,995,785	56,310,900	53,608,000	53,969,301	361,301	...	2,658,401	...	2,973,516	...
Excess Ordinary Expenditure	2,182,778	621,700	3,431,000	3,543,087	...	112,087	...	2,921,387	...	1,360,309
Capital Expenditure on Productive Public Works.	3,809,284	3,628,300	4,877,000	4,791,052	85,948	...	...	1,163,052	...	981,768
Total Excess Expenditure ...	5,992,062	4,249,700	8,308,000	8,334,139	...	26,139	...	4,084,439	...	2,342,077
Receipts other than Revenue	64,001,348	56,588,200	71,216,000	72,851,859	1,635,859	...	16,263,659	...	8,850,511	...
Disbursements other than Expenditure.	60,417,014	51,515,100	62,372,665	64,407,426	...	2,034,761	...	12,892,326	...	3,990,412
Excess Receipts other than Revenue.	3,584,334	5,073,100	8,843,335	8,444,433	...	398,902	3,371,333	...	4,860,099	...
Public Balances Reduced ...	2,407,728	...	...	...	...	...	...	...	...	...
Public Balances Increased ...	...	823,400	535,335	110,294	425,041	...	713,106	...	2,518,022	...
Closing Balances	15,464,665	13,511,200	16,000,000	15,574,959	...	425,041	2,063,759	...	110,294	...

32. According to these Accounts, the whole Public Expenditure of British India in the year 1877-78 exceeded the Public Revenue by £8,334,139. But, in order to get the exact facts, £281,687 must be added to this sum, being the amount transferred to Revenue from the book-balances of the extinct Military Funds which, as has now been repeatedly explained, cannot safely be treated as Revenue: also £768,058, the sum by which the entry under the Head of *38, Loss by Exchange* falls short of what it would have been

Results.

Adjustments to bring out accurate results.

if the whole net current requirements of the Home Treasury had been remitted, excluding transactions affecting the Registered Debt and the Railway Capital Account. To allow to this year credit for any saving under this Head which arises from the borrowing operations of the year, would be plainly a deception. On the other hand, there is a set-off of £117,705, being the discount paid on the Loan of the 7th June 1877 which cannot be regarded as a proper charge of the year. Thus, the whole true excess Expenditure of the year becomes £9,266,179, or, more correctly, Rs. 9,26,61,790 which is the measure of the increase of the Public Debt during the year.

TRUE RESULT.

PRODUCTIVE PUBLIC WORKS.

33. Of this large sum, £4,968,123* is due to the construction of Productive Public Works, in pursuance of the policy deliberately adopted. The remaining £4,298,056 is the result of the measures taken for the preservation of the lives of the people of South India from Famine. The Financial Statement for 1878-79 (*p. 26*) contained some calculations pointing to the conclusion that the Famine affected the Accounts of 1877-78 adversely by $6\frac{1}{2}$ millions sterling. The loss of land revenue in that year exceeded the loss then estimated by £77,000. The losses of other revenue, also, were greater than were then calculated, while the expenditure recorded under the Head of *30, Famine Relief*, was more by £111,775, and the expenditure on the Army on account of scarcity exceeded the Estimate. On the other hand, the Net Revenue from the Guaranteed Railways was larger by £394,163 than was then supposed; and some of this excess was probably occasioned by the Famine traffic. On the whole, the net adverse effect of the Famine upon the Accounts of 1877-78 may still be reckoned at about £6,500,000. If this Estimate is correct, it follows that, but for the Famine, the Revenue Accounts of 1877-78 would have shown a Surplus of about £2,201,944. Provided that the works upon which the excluded £4,968,123 was spent could be trusted to be truly reproductive, this result might be regarded as very satisfactory.

FAMINE.

CAPITAL EXPENDITURE ON PRODUCTIVE PUBLIC WORKS EXAMINED.

NON-PRODUCTIVE ITEMS.

34. The principal works upon which this money was spent will be found in Tables Nos. VII and VIII of Appendix B. Of the Irrigation Works in the List there given it is to be feared that the prospect of the Orissa and Midnapore Canals proving remunerative is remote, although it does not follow that the comparatively small sums spent on those works this year will not be remunerative. The only item of the Expenditure upon Irrigation Works which must be looked upon as not in any measure directly remunerative, however otherwise highly beneficial, is the £86,387 spent upon the Western Jumna Canal, which is in course of realignment at a very large cost, principally for sanitary reasons. Of the money invested in Railways, £1,584,543 spent upon the Indus Valley and Punjab Northern Lines is expected to yield but a small return. From the nature of the country these works are very costly; their earnings are little likely to be large; and they were undertaken for strategic reasons only. In a consideration therefore of the finances of 1877-78, it must be borne in mind that it cannot confidently be expected that £1,670,930 of the expenditure excluded as reproductive will really, within any period which can now be foreseen, produce a net income sufficient to cover the interest thereon. At the same time, there is good hope that the value of the commercial and economical benefits conferred upon the Punjab and Sindh by these great Frontier Railways, together with their military uses, will exceed that interest; and, at least, it may be said that the expenditure upon them has been and will be extremely useful.

INCREASED REVENUE OBTAINED IN 1877-78 BY SPECIAL MEASURES FOR IMPROVING THE FINANCIAL POSITION.

35. One other set-off must be mentioned. In the 17th para. of the Resolution prefixed to the last Financial Statement, it was stated that, at the beginning of 1877-78, the condition of the finances was such that an improvement of £2,000,000 a year was absolutely necessary in order to provide for Famine and leave a margin of safety. Measures had, accordingly, been already taken to obtain this additional Revenue of which a portion only was looked

* By the Finance and Revenue Accounts	£4,791,052
ADD—Loss by exchange on £1,146,823 (included in the £4,791,052) remitted home, calculated at the average rate of the year	„ 177,071
TOTAL ...	£4,968,123

for from taxation. The Accounts of 1877-78 contain the following items of this additional Revenue:—

	£
Net Assessed Taxes	82,479
Net Additional Rates	234,847
Additional Salt Revenue (which accrued temporarily) say ...	50,000
Retrenchment from Local Governments	189,800
	557,126

36. Some portion of those taxes however accrued to the Local Governments; and it is better to state the effect upon the Imperial Treasury as follows:— STATED OTHERWISE.

CONTRIBUTIONS FROM—	£	£
BENGAL	200,000	
NORTH-WESTERN PROVINCES	240,967	
LESS net Revenue from Canals and Railways surrendered to—		440,967
NORTH-WESTERN PROVINCES	179,722	
Deduct excess working expenses in BENGAL ...	10,231	169,491
Net		271,476
Add retrenchments as before		189,800
TOTAL		461,276

37. This then is the outturn of the finances of 1877-78. If the Famine costing £6,500,000 and the expenditure on Productive Public Works amounting to £4,968,123 be eliminated, there remains a Surplus of £2,201,944. But for the measures to which reference has been made, this Surplus would have been smaller by £461,276, or in all £1,740,668. On the other hand, it has to be remembered that a portion of the Productive Public Works, costing £1,670,930, is expected (however useful the works may otherwise be) to yield, for a long time to come, only small interest. FINAL CONCLUSION.

38. According to the Accounts as abstracted in *Statement No. II*, the working expenses of the Productive Public Works during the year, together with interest on their capital cost, amounted to £7,359,204, while they yielded a revenue of £7,319,676. Adding Gain by Exchange, £514,443, and Loss by Exchange, £723,107, without which the comparison cannot be made with even approximate accuracy, the expenditure becomes £8,082,311, and the revenue £7,834,119; but this revenue does not include any of the excess land revenue attributed to Productive Irrigation Works in the MADRAS Presidency. Moreover, interest is charged upon the whole of the capital expended upon Productive Public Works to date, although some of it is, necessarily, as yet, unproductive. Making allowance for these circumstances, the Statement may be regarded as encouraging. It should, moreover, be borne in mind that the direct revenue which these works produce to the State is but a small part of the advantages which result from them to the country. It would be difficult to overestimate, for example, the material advantages derived by the country from such works as the East Indian Railway and the Ganges or Baree Doab Canals. FINANCES OF PRODUCTIVE PUBLIC WORKS.

39. The Accounts thus reviewed differ but slightly in their result from the Regular Estimates presented a year ago. The Accounts of 1876-77 showed a result net better than the Regular Estimates of that year by £95,522. The Accounts of 1877-78 show a result net worse than the Regular Estimates by £26,139; the Deficit on the ordinary account being £112,087 more, but the capital expenditure on Productive Public Works £85,948 less, than the Regular Estimates. COMPARISON OF ACCOUNTS, 1877-78, WITH REGULAR ESTIMATES.

40. As to details, the *Guaranteed Railways* show a net improvement which amounts, by the formula used in the construction of Table V of Appendix B, to £394,163; the traffic on these Railways was under-estimated and their working expenses over-estimated. The statistics for the year are given in that Table. Thus, these Railways yielded in 1877-78 even a larger return than that which surprised the Government upon the Regular Estimates, and, for the first time, returned a true Net Revenue of £393,856 in excess of the entire cost of the IMPROVEMENT IN GUARANTEED RAILWAYS.

Accounts, 1877-78.

AN EXCEPTIONAL YEAR.

guaranteed interest. It is doubtless true that the prosperity of these Lines in 1877-78 was exceptional, and that the Government cannot yet count upon such results occurring under ordinary circumstances. Not only did the Railways profit largely by the enormous traffic in grain called forth by the widespread Famine in South India and scarcity elsewhere, but there was, moreover, an unprecedented traffic in *Wheat* and an unusually large movement of *Seeds*, *Jute*, *Hides* and other staples.

FAILURE OF REVENUE ESTIMATES.

41. The Revenues from *Land*, *Excise*, *Customs* and *Salt* all disappointed expectations, owing no doubt to the Famine not having disappeared so early and so completely as was expected; and the net cost of the *Army* was £245,780 more than the Regular Estimate, partly owing to the same cause.

ACCOUNTS COMPARED WITH THE ORIGINAL ESTIMATES.

42. No detailed comparisons between the Accounts of 1877-78 and the Original Estimates are now called for. Instead of costing in 1877-78, as was expected two years ago, £2,150,000, the Famine is now estimated to have cost in 1877-78 £6,500,000, an excess of £4,350,000. The Guaranteed Railways, on the other hand, yielded a true net excess revenue of £1,698,102, of which however some £600,000 is already set off in the estimated cost of the Famine. The other items of difference are not sufficiently important to deserve further notice at this stage. On the whole, the excess expenditure on the Ordinary Account was larger by £2,921,387, and the whole excess expenditure by £4,084,439, than the Original Estimates.

CLOSING BALANCE, 1877-78.

43. The Closing Balance of the year proved to be £425,041 less than the Regular Estimates, chiefly owing to a diminution of the Local Fund balances, which were largely withdrawn, especially in the North-Western Provinces, probably on account of the scarcity there. But the year closed with £2,063,759 more in the Public Treasury than was originally anticipated, and this notwithstanding that the Registered Debt increased by only £845,416 more than was expected; that £1,163,052 more capital was spent upon Productive Public Works; and that £582,557 more was lent to Native States (chiefly Mysore and Gwalior). Sufficient allowance was not originally made for the amount of Secretary of State's bills outstanding at the end of the year. The excess of these bills unpaid at the end of the year as compared with the beginning, was £1,375,706. Also, instead of the Guaranteed Railway Companies withdrawing £618,900 Railway Capital, they paid in £125,747.

ACCOUNTS OF 1877-78 COMPARED WITH THE ACCOUNTS OF 1876-77.

44. The net result of the Accounts of 1877-78 was worse than the net result of 1876-77 by £1,360,309; Famine costing some £3,400,000 more and the Army £847,649 more. On the other hand, the Railways, State and Guaranteed, returned £1,185,499 more net revenue, and most of the Heads of Revenue show improvement.

WAYS AND MEANS, 1877-78.

45. Deducting the nominal credits from the Funds (£281,687), the total Public Expenditure exceeded the Public Revenue by £8,615,826. To meet this a net sum of only £6,388,606 (including *Railway Capital Transactions* but deducting *Loans to Native States and Corporations*) was added to the Public Debt. The difference was supplied temporarily by the other items of the Debt Account, of which the chief was the £1,375,706 excess outstanding bills mentioned in paragraph 43. The Closing Balance of the year exceeded the Opening Balance by £110,294.

WAYS AND MEANS, 1876-77 AND 1877-78.

46. In the two years 1876-78 the Famine is estimated to have cost £9,950,000, and £8,600,336 was invested in Productive Public Works, making together £18,550,336. Nevertheless, only £9,695,201 (net) was added to the Public Debt, not so much, in fact, as the cost of the Famine. The Public Balances were reduced by £2,297,434; and, excluding Famine and Productive Public Works Capital Expenditure, the Accounts show a Surplus of £3,774,135. These three items aggregate £15,766,770, so that £2,783,566 were supplied from other sources, the principal of which was the Secretary of State's bills outstanding, which, at the end of the two years, exceeded by £1,739,500 the amount outstanding at the beginning of the period.

REGULAR ESTIMATES, 1878-79.

47. In the following Synopsis the present or Regular Estimates of 1878-79 are compared with the Original Estimates and with the Accounts of 1877-78 :— COMPARATIVE SYNOPSIS OF REGULAR ESTIMATES.

Synopsis.

	Accounts, 1877-78.	1878-79.		Regular Estimates of 1878-79, compared with			
		Original Estimates.	Regular Estimates.	Original Estimates, 1878-79.		Accounts, 1877-78.	
				Better.	Worse.	Better.	Worse.
	£	£	£	£	£	£	£
Revenue	58,969,301	63,250,000	64,680,000	1,430,000	...	5,710,699	...
Expenditure	62,512,388	61,094,000	63,380,000	...	2,286,000	...	867,612
Excess Revenue compared with Ordinary Expenditure	...	2,156,000	1,300,000	...	856,000	4,843,087	...
Excess Ordinary Expenditure	3,543,087	...	...	...	...	...	...
Capital Expenditure on Productive Public Works.	4,791,052	4,555,000	4,599,000	...	44,000	192,052	...
Net Excess Expenditure ...	8,334,139	2,399,000	3,299,000	...	900,000	5,035,139	...
Receipts other than Revenue.	72,851,859	59,850,000	76,560,000	16,710,000	...	3,708,141	...
Disbursements other than Expenditure.	64,407,426	58,951,000	74,635,959	...	15,684,959	...	10,228,533
Excess Receipts other than Revenue.	8,444,433	899,000	1,924,041	1,025,041	...	...	6,520,392
Public Balances Reduced...	...	1,500,000	1,374,959	125,041	...	...	...
Public Balances Increased...	110,294	...	...	...	...	...	1,485,253
Closing Balances ...	15,574,959	14,500,000	14,200,000	...	300,000	...	1,374,959

REVENUE.

48. The Revenue of the year is now expected to amount to £64,680,000, being £1,430,000 more than the Original Estimates, and the Expenditure to £63,380,000, being £2,286,000 more than the Original Estimates. Thus the net result upon the face of the Accounts is now an estimated Surplus of only £1,300,000, being £856,000 less than the Surplus (£2,156,000) anticipated a year ago. GENERAL RESULT.

49. The variations of the present Estimates from the Original Estimates are as follows :— VARIATIONS.

50. *I, Land Revenue.*—More £170,000, of which £25,900 is transferred from VI *Provincial Rates*. On the other hand £12,400, for Record Fees, has been transferred from this Head to XXIII *Miscellaneous*. Better progress in the recovery of arrears in MADRAS. The arrears collected this year may now be estimated at £800,000. LAND REVENUE.

51. *II, Tributes.*—Increase £4,000. Some tributes fell into arrears in 1877-78 and a portion of these arrears have been collected. TRIBUTES.

52. *III & 5, Forests.*—Revenue less £89,000. Expenditure less £6,000. Net worse £83,000 : a serious and unexpected fall of which £34,000 (attributed to drought) occurs in BOMBAY, £27,000 in the NORTH-WESTERN PROVINCES AND OUDH, £20,000 in BRITISH BURMAH and £8,000 in the PUNJAB, with some sets-off elsewhere. The Net Revenue is not expected to exceed £120,000, being less than it has been for many years. The assets and liabilities of the MADRAS Jungal Conservancy Fund have been transferred to these Heads, but they do not materially affect the general result. FORESTS.

Regular Estimates, (Revenue) 1878-79.

EXCISE. 53. *IV & 5, Excise.*—Revenue less £158,000. Expenditure less £5,000. Net worse £153,000. Net Revenue £2,501,000. There are decreases of Revenue as follows: NORTH-WESTERN PROVINCES AND OUDH £90,000; PUNJAB £10,000; MADRAS £51,000; and BOMBAY £54,000; with increases of £30,000 in ASSAM; £10,000 in BENGAL; and £8,000 in the CENTRAL PROVINCES. The effect of the scarcity in UPPER INDIA upon this Revenue is marked, and the recovery in MADRAS and BOMBAY has not equalled expectation.

LICENSE TAX. 54. *V & 7, Assessed Taxes.*—Revenue more £104,000. Expenditure less £20,000 Net better £124,000: from this, however, must be deducted £38,000 now provided for Refunds, of which £30,000 in BOMBAY. Net Revenue, less Refunds, £797,000. Of this £27,700 (net) is owing to the transfer to this Head of the Pandhary Tax in the CENTRAL PROVINCES. The true net improvement is therefore £58,000.

55. The collections have exceeded the Estimates in every Province excepting MADRAS which has yielded only £75,100 (net), instead of £120,000, as estimated. Elsewhere the improvements are as follows:—BENGAL £113,000, NORTH-WESTERN PROVINCES £41,000, the PUNJAB £18,000, BOMBAY £33,000.

PROVINCIAL RATES. 56. *VI & 8, Provincial Rates.*—Revenue less £626,000. This decrease is, as has been generally explained, owing to the revenue locally estimated under this Head having been transferred as follows:—

		£
To	I.—*Land Revenue* (ASSAM Special Rate absorbed, and BOMBAY items)	25,900
	III.—*Forest* (MADRAS Jungal Conservancy: charges added *per contra*)	23,200
	IV.—*Excise* (Bhopal Fund)	1,100
	V.—*Assessed Taxes* (Pandhary)	27,800
	XII.—*Post Office*	400
	XIV.—*Minor Departments* (Inland Labor Fund, &c.) ...	16,900
	XV.—*Law and Justice*	9,000
	XVI.—*Police* (Pounds, &c.)	129,500
	XVIII.—*Education* (School Fees, not Cesses)	28,400
	XIX.—*Medical*	2,000
	XXI.—*Interest*	11,800
	XXII.—*Superannuations*	4,700
	XXIII.—*Miscellaneous*	153,800
	XXIV.—*Public Works Ordinary* (Ferries and Tolls) ...	290,100
	XXV.—*Irrigation* (Canals)	85,500
		810,100

IMPROVEMENT. 57. Thus, the Rates and Cesses proper have increased by £174,000, and this notwithstanding that the levy of the Famine Cess (calculated to produce £55,000 this year) in the NORTH-WESTERN PROVINCES has been suspended. The chief items of improvement are in MADRAS (Local Funds' Act) £96,000, (probably arrears) and BENGAL (District Roads' Act) about £70,000.

PROVINCIAL RATES ANALYSED. 58. Of the £2,680,000, to which the revenue under this Head is thus reduced, £245,000 belongs to the Village Service Funds in MADRAS and £230,000 to the Patwary Fund in the NORTH-WESTERN PROVINCES. These Funds are devoted to the support of the Village Revenue Collectors and other servants whose cost is shown *per contra* under 4 *Land Revenue*. There are similar officers throughout India; but the payments made to them and the revenue intercepted for the purpose are for the most part excluded from the Public Accounts. In BOMBAY, indeed, these items are included on both sides as Imperial items. In BENGAL, the charge falls mostly upon the Zemindars and their Assigns, and the revenue of the Permanent Settlement must be considered as *net* after deducting this large but necessary expense. In the PUNJAB and the CENTRAL PROVINCES the stipends of the village servants are deducted before the revenue is paid in, so that there too the land revenue is *net*. In BURMAH and ASSAM the charge is included in the percentage paid to the Native Collectors, and the revenue is shewn gross.

NOT ALL TAXATION. 59. In contemplating these Provincial Rates, then, it should be borne in mind that, of their whole amount, £475,000 is really of the same character as is, elsewhere, included in the gross land revenue payments, and does not imply

additional taxation. The taxation proper under this Head does not, according to the Regular Estimate, exceed £2,205,000; the chief items being—

	£	£
BENGAL—		
Public Works Cess (Act II of 1877)	338,000	
District Roads Cess (Act X of 1871)	340,000	
Zemindary Dâk Cess	26,000	
Wards' Rate	6,000	
		710,000
BOMBAY.—6¼ per Cent. Cess (Act III of 1869)		217,500
PUNJAB.—District Funds, including Famine Cess (£49,000 a year)—Acts XX of 1871 and (Famine Cess) V of 1878		239,000
MADRAS.—Local Fund Cess (Act IV of 1871)...		546,000
N. W. P. & OUDH.—Local Rates (Famine Cess not yet imposed, but estimated to yield £110,000 a year) (Acts XVII and XVIII of 1871, VII of 1877) (Acts III and IV of 1878 not yet introduced) ...		426,000
CENTRAL PROVINCES.—Ditto, (including Additional Rate (Act X of 1878) £12,860)		86,000
BURMAH.—Ditto (Government Order, January 1875) ...		28,000

60. Of these, the only cesses recently imposed are the BENGAL Public Works Cess (1877) yielding £338,000, the PUNJAB Famine Cess (1877) yielding £49,000, and the CENTRAL PROVINCES Famine Cess (1878) yielding £12,800. Total £399,800. The Famine Cess in the NORTH-WESTERN PROVINCES and OUDH, (estimated yield £110,000), has not yet been imposed.

61. *VII & 9, Customs.*—Revenue less £40,000. Expenditure more £6,000. Altogether worse £46,000. Net Revenue £2,238,000. The Net Revenue in 1877-78 was £2,419,481, or more by £181,481: but Revenue estimated at £232,000 was sacrificed last year by the abolition of the Inland Sugar Duties and the partial reform of the Tarif. There has therefore, this year, been some considerable recovery, which would have been larger but for the commercial depression which India has shared with other countries. CUSTOMS.

62. *VIII & 10, Salt.*—Revenue more £87,000. Expenditure less £101,000. Total better £188,000. The payments in respect to salt to the Native States in Rajputana, including £95,500 to Jeypore and Jodhpore for Sambhar, amount, this year, to £164,600. It has been thought expedient to record these payments under 26 *Allowances and Assignments*. If these payments be taken into the Salt Account, the Regular Estimate still shows a small net improvement of £23,400. Net Revenue £6,481,000 or, deducting Allowances and Assignments, £6,316,400. SALT.

REFORM OF THE SALT DUTIES.

63. The reform of the Salt Duties has made great progress during the year. The object which the Government has had in view in its efforts to equalise these duties throughout India was thus stated in the Financial Statement for 1878-79:— REFORM OF SALT DUTIES. ITS OBJECT.

"That object is not to increase the burden of the salt taxes on the people of India or to derive therefrom a larger revenue, but to make as large a step as the finances will permit toward the equalisation of those duties, a condition of taxation desirable in itself and an essential preliminary to the abolition of that great opprobrium to British administration, the Inland Customs Line. The Government of India * * * confidently hopes that the time is not distant when this great reform, the object of which is to give the people of India 'the means of obtaining, with the least possible inconvenience, and at the cheapest rate consistent with financial necessities, a supply of salt only limited by the people's capacity for consumption, will be completely carried out.'"

64. This policy was initiated in 1869, when Lord Mayo first directed his attention to the reform of our salt administration. The measures that have been taken are so near completion that a statement of the progress effected may now properly be made. A review in greater detail of all that had been done up to the commencement of the present financial year was given by His Excellency the Viceroy in his speech in the Legislative Council on the 9th February 1878. INITIATED IN 1869, NOW APPROACHING COMPLETION.

65. The Inland Customs Line was first formed on the frontier of the North-Western Provinces in 1843. It was gradually extended until it stretched from beyond Attock in the extreme north-west, right across the Continent of India to near Cuttack. It was an almost impenetrable barrier, involving not only more or less annoyance and harassment to the population resident on each side of the Line, but serious and vexatious interferenee with all trade and traffic passing across. Its primary object was the levy of duty on salt; THE LINE.

Reform of the Salt Duties.

but a heavy export duty was, at the same time, imposed on the sugar produced in our own territories, hampering its progress to its natural markets in Rájputána, and Central and Western India.

NORTHERN INDIA UNFAIRLY WEIGHTED.

66. In Southern India, the population of which enjoyed natural advantages in the proximity of the sources of supply, there was a light duty on salt, and in the greater part of Northern India, already weighted by the greater remoteness of its sources of supply, there was a heavy duty. There was cheap salt in Southern, but very dear salt in Northern India.

SUPPLY DEFICIENT.

Not only was salt dear in Northern India, but it was deficient in quantity, and there was a liability, at any time, that it might become both dearer and more scarce, since the most important sources were isolated from the markets they supplied by long stretches of roadless semi-desert tracts, traversable only by camels or bullocks.

PREVENTIVE ESTABLISHMENT.

67. In 1869-70 the Inland Customs Line was 2,274 miles in length, and it was guarded by 223 officers and 11,703 men, at an annual cost of £162,000. A thousand miles of this line have already disappeared. The sugar duties were abolished last year; and our sugar, in greatly increased quantities, now passes free into Rájputána, Central India and Sindh.

INEQUALITY OF DUTIES.

68. In 1868-69 the duty in the Madras and Bombay Presidencies was Rs. 1-8 per maund of 82 lbs.; in Bengal it was Rs. 3-4; in the rest of Upper India Rs. 3-0; while in Sindh it was only 8 annas. There were no tenable grounds for these extraordinary inequalities in the taxation imposed upon salt in different portions of the Empire.

RECENT MEASURES.

69. When last year's Budget was presented, the duty had already been raised on salt in the Madras and Bombay Presidencies to Rs. 2-8 per maund, while it had been reduced in Northern India to Rs. 2-12, and in Bengal to Rs. 3 per maund. It was then announced that the export duty on sugar would be abolished on the 1st of April, and that it was hoped that the arrangements with the Native States would soon be completed. Those arrangements had for their object, by means of amicable agreements with the Native Chiefs, the establishment of British control over all the principal local salt sources, similar to that which has been exercised for several years past with complete success at Sambhar.

AGREEMENTS WITH NATIVE STATES CONCLUDED.

70. During the past year, the treaties with the Native States have been brought to a satisfactory conclusion, and, on the 1st of October 1878, the Government entered on a lease of all the more important salt sources in Western Rájputána.

LINE TO BE NOW ABOLISHED.

71. The Government considers that the time has come for the abolition of the Customs Line, and from the 1st of April 1879 it will, with one exception, cease to exist. There will then only remain the Trans-Indus section of the line, costing £6,600 a year. This small section is maintained to prevent the nominally-taxed Kohat salt, sold to the border tribes, coming back into our own territories, and there can be no doubt that arrangements will be matured before long which will lead to its abolition. It is hardly possible to estimate too highly the importance of the great reform which has thus, after efforts extending through many years, been, at last, effected. It is not too much to say that the abolition of this Customs Line will remove one of the greatest existing reproaches against British administration in India.

FINAL REDUCTION OF DUTY.

72. The hope expressed a year ago by His Excellency in Council, that a further reduction in the duty in Northern India might become feasible hereafter, was speedily fulfilled. At the end of July last, it was resolved no longer to delay the final reduction of the duty to Rs. 2-8. It was reduced at the same time to Rs. 2-14 in Bengal. This resulted in an immediate and very extensive expansion of the trade.

EFFECT UPON PRICES,

73. The measures taken during the past year have not, yet, had time to produce their full effect; but, so far as it is possible to form a judgment, the results have been highly satisfactory. Comparing present prices with those which prevailed in 1868, before the first steps in the new policy were taken, we find the following facts. At the chief salt mart in Northern India, Agra, in January 1868, good average Sámbhar salt was selling wholesale at Rs. 5-8 per maund.

In 1869 the price was Rs. 6. In January 1879 similar salt was selling at only Rs. 3-8 per maund. Thus a reduction of nearly 40 per cent. in the price of the most important salt in Northern India has been secured at the cost of a reduction of 16¼ per cent. in the duty. The increased duty in Southern India has necessarily increased the price of salt, but by no means to so serious an extent as might have been anticipated. In 1868-69 the average retail price of salt, in nine of the principal marts of Madras and Bombay, was Rs. 2-4 per maund, while, at the present time, it is about Rs. 2-11. Reform of the Salt Duties. IN NORTHERN AND SOUTHERN INDIA.

74. The net salt revenue of the Empire which, in 1868-69, stood at £5,176,000, stands, for the current year, at £6,316,000. This great increase was no part of the original programme; but an increase was always anticipated as the necessary result of a more scientific administration, and it has been obtained not only without any general addition to the taxation on salt, but with a positive reduction of the general average burden. The anticipation that, other reasons apart, it would be found financially more profitable to levy the salt duty at a moderate rate on a maximum consumption, rather than at a high rate on a restricted consumption, has been already verified, and the Governor General in Council confidently trusts that it will be more completely verified hereafter. EFFECT UPON REVENUE.

75. It must not be forgotten that the result of the measures which have been already taken is this, that while the duty on salt and its cost to the consumer have been increased to 47,000,000 of people, the duty and the cost have been reduced to more than 130,000,000. RELIEF TO MAJORITY OF CONSUMERS.

76. The means are not at present available of saying, with confidence, what effect has been produced upon the actual consumption of salt. The first effect of raising the duty in BOMBAY and MADRAS has been now, as on former occasions, to diminish sales, but, to a small degree only, during the current year. These two Presidencies cannot be taken separately, because MYSORE, the Nizam's territories, BERAR and the southern portion of the CENTRAL PROVINCES, are supplied from them; and, as the course of trade in grain and other articles which constitute the exchanges for salt, has varied, and as facilities of communication have been improved on this or that side, so the tracts mentioned have, at some times, drawn more largely on MADRAS, and, at other times, on BOMBAY. But, if the two be taken together, and free and nominally-taxed salt be excluded from the account, it will be found that the total amount of salt that paid duty in 1877-78 was, in round numbers, 10,675,000 maunds, while for the current year it is expected to be 10,350,000 maunds, exhibiting for this transition year the small decrease only of about 3 per cent. But in 1867-68, the total consumption was only 9,900,000 maunds, showing that there has been, notwithstanding the increase of duty, a great increase of consumption, and this increase is the more remarkable when regard is paid to the great losses of population and wealth during the last three years in Southern India from famine. The consumption of salt appears, indeed, to have been larger in the MADRAS and BOMBAY Presidencies during the present year than in any previous year excepting 1877-78. CONSUMPTION IN MADRAS AND BOMBAY.

77. It is still more difficult to give a trustworthy estimate of the consumption in Northern India; for the area and population supplied by salt crossing the Customs Line has, from time to time, varied. It appears, however, from the returns of the Inland Customs Department that the supply for the whole of Northern India from 1864-65 to 1870-71 was, on an average, 11,600,000 maunds a year; from 1870-71 to 1877-78 the average annual supply was 13,200,000 maunds, or an increase of 14 per cent. This does not include any increase which may follow from the reduction of duty made during the current year, the full effect of which has not yet been developed. There has also been a steady increase in the quantity of salt consumed in Bengal. The quantity which has paid duty during the present year is larger than in any previous year. Taking India as a whole, we find the total apparent consumption to have been 22,750,000 maunds in 1867-68 and 24,200,000 for 1878-79. CONSUMPTION IN UPPER INDIA AND BENGAL.

78. The Government of India does not doubt that, within the next year or two, it will be found that there has been a very large and real increase in con- INCREASED CONSUMPTION EXPECTED.

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sumption, far exceeding that which can be legitimately ascribed to mere increase of population.

EFFECT OF MEASURES IN NATIVE STATES.

79. The new arrangements for the local control of the salt manufacture having been in force for a few months only, it is too soon to say much regarding the effect produced by them in the Native States; but, so far as it is now possible to judge, the change of system has involved much less difficulty and friction than might have been anticipated. This fortunate result is mainly due to the action taken by the Rulers of those States; they have given their co-operation and assistance in a manner which deserves the warm acknowledgments of the British Government.

NEW MEASURES IN RÁJPUTÁNA EXPLAINED.

80. The following statement, taken chiefly from official reports on the subject, will explain the nature of the new measures. The salt in the Native States of Rajputana is of two kinds: one of a superior quality, and worth carriage to a distance; the other, inferior earth-salt, used by the poorest classes locally, and not, hitherto, transported far as an article of trade. In taxing the superior salt at the places of production, it is necessary to prevent the development of a trade in the inferior salt which could not bear the imposition of a duty. The problem was, how to compass the desired objects without unduly interfering with the internal administration or revenues of the Chiefs of the Native States, or with the interests of their people.

LEASE OF SALT SOURCES.

81. Four tracts which yield superior salt have been taken on lease by the British Government. The arrangements settled by these leases follow precisely the precedent of the lease under which the Sambhar Lake has been managed for the last nine years without the slightest friction with the Native States, and with the most beneficial results on the price of salt. The rent of the five new salt sources leases amounts to £38,700 a year. At these places, the British Government will occupy the position, with reference to the manufacture, which has hitherto been held by the Chiefs from whom they have been leased. With some exceptions, an excise duty of Rs. 2-8 per maund has been imposed on all salt manufactured, this being the uniform rate of salt-duty which has now been fixed in all British territory surrounding these States. With railway communication making rapid progress across Central India and Rájputáná, the maintenance of different rates of salt-duty would have been absolutely incompatible with the abolition of the Customs Lines.

LOCAL MANUFACTURE ABOLISHED.

82. Under these arrangements, the manufacture of local salts at any sources besides those leased to the British Government, has ceased generally throughout the States with which the Agreements have been made. To this rule there are, however, some exceptions. Wherever local salt manufacture was found existing in a State, if it was judged that the manufacture might continue without risk of serious damage to the British revenue, the State was allowed the option of continuing it under certain restrictions, up to certain limits.

COMPENSATION TO SALT-MAKERS AND OTHERS.

83. Liberal compensation has been paid to manufacturers and others interested in the salt-works which have been suppressed. It amounts to £54,200. Annual sums, aggregating about £4,100, were paid to landholders, jagirdars, and others, whose interests will be affected by the closing of the local salt-works, and by the abolition of transit duties.

FREE SUPPLY.

84. For the supply of the people of the Jodhpore State, 225,000 maunds of superior salt will be passed yearly from the leased works in that State free of all British duty. For the supply of the people of Bikanir, Meywar, and Serohi, quantities aggregating 158,000 maunds will be passed annually from those works, subject to only half the British duty; while if these allotments prove insufficient for the supply of the people of the States (which possess no superior salt of their own), they will be open to reconsideration.

PAYMENTS TO NATIVE STATES.

85. To the Jodhpore State a yearly payment of £12,500 will be made as compensation for transit and export duties on salt, as well as for the loss of miscellaneous receipts connected with salt, and for the maintenance of preventive establishments to keep down illicit manufacture, &c. Similar payments, amounting to £5,280, will be made to the Bikanir, Meywar, and Serohi States. The annual sum of £31,250, to be paid to the Gwalior State, represents duty at Rs. 1-4 per maund on the consumption of British taxed salt in that State;

and the sum to be paid to Datia, £1,000, represents the duty at eight annas per maund on the consumption in that State. It was ascertained that these rates of duty have hitherto been levied by the Chiefs in these two States on imported superior salt. Reform of the Salt Duties.

86. The British Government have further agreed to give to seven of the smaller States, quantities of superior salt aggregating 13,360 maunds, free of all charges, in addition to 21,000 maunds given under the Sambhar treaties to the Jeypore and Jodhpore Durbars. The remaining five States in Rájputáná,* the Lawa Chiefship, and the Baháwalpur State, will be supplied with salt on which the British duty has been levied. OTHER CONCESSIONS.

* Ulwur. Dholpur. | Jeypore. | Kishengarh. Bhurtpore.

87. The annual payments by the British Government aggregate £84,000. It is calculated that, in each case, the payment will be about equivalent to the duty realised, and that it will liberally compensate the Chiefs for the salt-revenue and transit duties which they and their feudatories will forego. YEARLY PAYMENTS.

88. The Baháwalpur, Alwar, Dholpur, and Kishngarh Chiefs, and the Thákur of Lawa, have agreed to abolish all local transit duties within their territories. In Bhurtpore and Jeypore the transit duties on salt, sugar and saccharine produce will be abolished; and, in the remaining seven States, all salt upon which British duty has been levied, will pass free of any kind of duty. ABOLITION OF SOME TRANSIT DUTIES.

89. The duties which, until last April, were levied on sugar and saccharine produce exported across the Inland Customs Line, averaged more than £150,000 annually, and fell mainly upon the people of the States in Rájputána and Central India. These duties have been abolished; and the people of the States will now also be relieved from the local salt-duties and from the transit duties abolished under the Agreements. SUGAR DUTIES REMOVED.

90. When these negotiations were begun, there was some hope that arrangements might be concerted, whereby the funds realised from the taxation of salt in these States might be employed in redeeming all the transit, export, and import duties, so that free trade might be established throughout. But although some progress was made in this direction, and four of the minor States agreed to the plan, yet the obstacles to a general redemption of all local duties were soon found to be serious. The preliminary impediment lay in the reluctance expressed by a large majority of the Chiefs to accede to an arrangement whereby they would have exchanged revenues raised by themselves for assignments from the Government, and submitted to a perceptible disturbance of their revenue system. In the second place, it proved to be very doubtful whether the proceeds of the salt-duties in these States would suffice to redeem the local customs duties, upon any valuation which the Chiefs would willingly accept. And in the third place, it was necessary to remember that the transit duties are likely to diminish year by year. Whenever railways run through a State, the transit duties, which are universal and often onerous throughout the Native States, are, perforce, relinquished, to the great relief of the people. The political officers were therefore instructed to refrain from any pressure, in negotiation, for the general redemption of the transit duties, and to confine arrangements to points essentially connected with the main object—the removal of the Inland Customs Line. GENERAL ABOLITION OF TRANS DUTIES GIVEN UP.

91. Although it is difficult to estimate with precision the actual amount of taxation which has been taken off in these States, yet, undoubtedly, an important diminution has been effected. The Imperial sugar-tax has gone; also all the transit duties—and these were not light—upon salt. In the four States under special agreement to forego all local duties, the relief has been very considerable. In the Bahawalpur State, for example, customs-duties exceeding £25,000 annually have been given up. In Alwar it is estimated that the duties foregone by the Maharao amounted to a taxation of £20,000 annually on the people of that State. In Bhurtpore the salt-revenue of the Maharaja was about £27,000. The customs revenue of the Dholpur State was more than £7,500. The sum of £38,700 to be paid annually to the Maharaja of Jodhpore for the lease of the four tracts within his territories, represents, approximately, REDUCTION OF INDIGENOUS TAXATION IN RÁJPUTÁNA.

Reform of the Salt Revenue.

on a liberal estimate, the annual revenue which the State realised by the taxation of salt produced within those tracts.

NO DIRECT PROFIT FROM CONSUMPTION IN PRINCIPAL NATIVE STATES.

92. It is not expected that the British Government will make any direct profit from the duty realised on the salt consumed in these fourteen States by their people. The total estimated revenue to be derived by this Government from the tax on the consumption of these States amounts to £165,600. Against this sum must be put the payments and remissions to be made by the British Government, amounting altogether to £188,400. The £150,000, the average annual revenue derived from the sugar export duties which have been given up, and which fell almost entirely on the people of these Native States, has been left out of this account.

CHIEFS LIBERALLY TREATED,

93. It will be seen from the foregoing general description of the arrangements concluded, that the Chiefs have been treated with great liberality. They have been amply compensated for all possible loss of revenue; and there is every reason to believe that they are well satisfied with the terms they have obtained. Moreover, all persons whose proprietary or

AND OTHERS.

manufacturing interests are affected, have been fully indemnified, while many advantages have been given to the people which will go far to compensate the fresh salt taxation they will have to bear.

BENEFITS CONFERRED UPON THESE STATES AT COST OF BRITISH REVENUE.

94. Nor must it be forgotten that the British Government has already spent seven millions sterling, and will eventually have spent ten millions, on railways running through the Native States of Rájputána and Central India. The people of all these States benefit by the cheapened and facilitated transport of every article carried by these railways, and the great trunk lines with which they are connected, as well as by the cessation of transit duties, wherever the railways displace road traffic; their communications with the sea-board and with the great trading marts of India, which had hitherto been exceedingly bad and unsafe, have been made easy and secure, to the great advantage of their trade.

GENERAL FINANCIAL RESULTS.

95. The general financial result of the whole of the arrangements now nearly completed may be stated as follows: The Government expects to receive altogether on account of the consumption of salt in the Native States £265,600. It also expects an eventual saving in establishments, &c., in the Inland Customs Line of £95,000. The total gain is thus £360,600. On the other hand, the estimated expenditure on account of compensation, &c., paid to the Native States under the new agreements, and under the Sambhar Treaties of 1870, amounts to £258,900. To this sum has to be added £150,000 on account of sugar duties relinquished, making a total of £408,900.

BALANCE IN FAVOUR OF NATIVE STATES.

96. The balance in favour of the States affected by these measures is therefore about £143,000, and the balance against the British revenues is about £48,000 a year. This, it is confidently expected, will be recovered by the increased consumption that will follow the reduction of the cost of salt in British territory, and, in spite of the duty, in many parts of the Native States.

ABOLITION OF LINE.

97. Except by measures of the kind which have been described, the abolition of the Inland Customs Line would have been impossible.

OFFICERS TO WHOM CREDIT IS DUE.

98. The Governor General in Council hopes that the essential objects of the fiscal policy which the Government of India and that of Her Majesty have long had at heart, have now been, for the most part, secured, and that, in the attainment of those objects, the compensation of local interests has been equitably adjusted. For this result, great credit is due to the Political Officers concerned in the negotiations, and especially to Mr. A. C. Lyall and Sir Henry Daly, to whose experience and ability may be attributed the good-will and friendly accord with which these arrangements have been settled in Rajputana and Central India. Nor must reference be omitted to the services of Mr. A. O. Hume in connection with this policy. The agreements which have now been made are the logical complement of the preceding Agreements which were negotiated by Mr. Hume in 1870 with the States of Jodhpore and Jeypore, on behalf of the Government of the late Lord Mayo, for the lease and management of the Sambhar Lake. In a minute, dated the 9th July 1874, on the subject of the Sambhar negotiations, Sir John Strachey observed that the responsibility for them practically rested with Mr. Hume, and that

to him belongs the credit of their eminently satisfactory results. After the ratification of the treaties concluded by Mr. Hume, the system of management at the Sambhar Lake was initiated and organised by him in the face of considerable difficulties. That system has since worked admirably, and it has latterly been superintended and developed with much ability by Mr. G. H. M. Batten, who succeeded Mr. Hume as Commissioner of Customs. Reform of the Salt Revenue.

99. The pledges given by the Government last year in regard to the salt duties have now been fulfilled. The increase of duty in Madras and Bombay, combined with the reductions in the Bengal Presidency, was estimated to give a net temporary increase to the salt revenue of £300,000. Regarding this, Sir John Strachey said in his speech in the Legislative Council on the 27th December 1877:—"As the avowed policy of the Government is to equalise the salt duties by the reduction of these duties in the Bengal Presidency, this last-named addition of £300,000 will not constitute a permanent item of revenue. On the contrary, it is our intention, so soon as the improved position of the country will admit, to carry out the long-deferred equalisation of these duties, which will involve the sacrifice of the temporary increase of income which our present needs will not permit us to forego." The sacrifice of revenue involved by the measures of reduction taken in July last is estimated at £300,000, the same amount which had been gained by the measures of the previous December in MADRAS and BOMBAY. NO INCREASE OF TAXATION AS A WHOLE.

100. The salt duty has thus been equalised throughout India at the rate of Rs. 2-8 per maund, with this exception; that in the Lower Provinces of BENGAL the rate remains for the present at Rs. 2-14. In BURMAH the duty is still only 3 annas a maund. EQUALISATION OF DUTY ACCOMPLISHED.

101. *IX & 11, Opium.*—Revenue more £1,097,000. Expenditure less £487,000, Net Revenue £7,584,000, being £1,584,000 more than estimated. This Net Revenue has been only once exceeded (1871-72). Of the improvement, £1,034,000 has occurred in BENGAL and £550,000 in BOMBAY. Both the BENGAL and the MALWA crops failed seriously last year, but the MALWA stock seems to have been larger than was supposed. A saving in the payments for the BENGAL crop does not properly appertain to the year in which it happens, so that the finances of 1878-79 may be held to be unduly benefited under this Head to the extent of £487,000. OPIUM.

102. The average price obtained for BENGAL Provision Opium during the year was Rs. 1,228 a chest, being Rs. 66 more than was estimated. AVERAGE PRICE.

103. Only 43,140 chests of BENGAL Provision Opium were manufactured from the Crop of 1877-78 as follows:— OUTTURN, 1877-78.

BEHAR	...	...	...	...	18,140
BENARES	...	...	...	...	25,000
					43,140

This is the smallest outturn from the Patna Factory since 1860-61.

104. The Reserve Stock from the Crop of 1876-77 on the 31st December 1878 was as follows:— RESERVE STOCK.

PATNA	...	...	...	...	20,253
BENARES	...	...	...	...	28,229
					48,482

105. *X & 12, Stamps.*—Revenue more £94,000, Expenditure less £8,000, improvement altogether £102,000. Net Revenue £2,955,000; being the largest Net Revenue yet obtained. The improvement is in BENGAL £45,000, the NORTH-WESTERN PROVINCES £26,000, MADRAS £29,000 and BURMAH £13,000. STAMPS.

106. *XI, Mint.*—Revenue less £8,000. Expenditure less £5,000. Net Revenue less £3,000. Net Revenue £67,000. Notwithstanding the small importation of silver, Rs. 5,51,20,000 has been coined to date, the Mints having begun the year with large balances. MINTS.

107. *XXIII & 29, Miscellaneous.*—Revenue more £178,000. Expenditure more £25,000. Net Revenue more £143,000. Net Revenue £60,000. Revenue aggregating £153,800 transferred to this Head from *VI, Provincial Rates,* and £16,000 from *I, Land Revenue.* Some corresponding expenditure has also been transferred in like manner. INTEREST ON DEBT.

EXPENDITURE 1878-79.

108. *1 & XXI, Interest on Debt.*—Expenditure more £98,000. Revenue more £50,000. Net Expenditure more £48,000. Of the increase of Revenue, £12,000 is transferred from *VI, Provincial Rates*, and belongs to Local Funds. Thus the real increase of Net Expenditure is apparently £36,000. It is really much larger; for the estimate was made upon the expectation that the coming Loan would be raised at four per cent. and £200,000 discount was provided; the actual discount was only £39,294. The true corrected excess Net Expenditure for interest is accordingly £197,000. Net Expenditure £5,395,000, more by £183,000 than last year.

4½ PER CENT. LOAN 1878.

109. Under Notification No. 616, dated 27th May 1878, £2,500,000 was borrowed at 4½ per cent. for 15 years. This Loan was subscribed at an average of Rs. 98-6-10 for Rs. 100, and the discount, (£39,294), is recorded under this Head in the Regular Estimates.

4½ PER CENT. TRANSFER LOAN, 1879.

110. On the 12th August last, a TRANSFER LOAN was issued for Ten Crores of Rupees to enable the Government to discharge the Five-and-a-half per cent. Loan of 1859-60, which will mature on the 1st May 1879. The conditions of this Tranfer Loan were those of the Loan of the 27th May, namely, 4½ per Cent. for fifteen years, with some slight special advantages. As an alternative, a

SEVEN SHILLINGS PER CENT. FORM.

form of security was proposed which was designed to yield about 4 per cent. by the Sterling Standard: it was not open to the Government of India to adopt the simpler plan of paying an equivalent amount of sterling interest in London: it was supposed, however, that some of the holders of the Five and-a-half per Cent. Loan would prefer to Rs. 45 a year, a varying sum in Rupees which would always closely represent £3-10 a year, that is to say that they would be willing to contract for the remittance of their interest home, at a permanent exchange of 1*s.* 6⅔*d.* and prefer 4 Per Cent. with the exchange so far secured, to 4½ Per Cent. without any protection against the fluctuations of the exchange. But this expectation was not fulfilled, notes for only £25,000 having been issued in the Seven Shillings Per Cent. form.

PROGRESS OF THE OPERATION.

111. The total amount of the Five and-a-half Per Cent. Loan outstanding when the operation began was £9,845,170. Circumstances have not been favourable for the operation; but, nevertheless, substantially, the transfer has been effected, enough of the holders of the Five and-a-half per Cent. Loan having transferred their holdings to the Transfer Loan to enable the Government, with

ITS EFFECT.

the assistance of the cash subscriptions to the Transfer Loan (amounting to £1,393,457), to issue formal notice that the Five and-a-half Per Cent. Loan will be paid off at maturity. The reduction of interest thus effected will cause a considerable yearly saving; but the payment this year, in anticipation of due date, of the last half-year's interest on the Five and-a-half per Cent. Loan has added to the expenditure this year.

REFUNDS.

112. *3, Refunds.*—The increase of £33,000 is entirely for the License Tax Refunds, (£38,000) of which £30,000 are estimated at BOMBAY.

POST OFFICE.

113. *14 & XII, Post Office.*—Expenditure more £67,000. Revenue more £38,000. Net worse £29,000. Net Expenditure £99,000. The excess expenditure is owing to the transfer to this Head, of Provincial and Local Expenditure from *17, Minor Departments*. The Imperial Account shows an improvement. It is to be remembered that there are Cesses included under *VI, Provincial Rates* levied to cover the Local Expenditure now incorporated. These Cesses aggregated £35,400 this year.

TELEGRAPHS.

114. *15 & XIII, Telegraphs.*—Expenditure less £43,000. Revenue more £42,000. Net better £85,000. Net Expenditure £95,000, the lowest net expenditure yet recorded. The improvement is chiefly in State messages, and is partly attributed to the military operations beyond the Frontier.

PROGRESS OF TELEGRAPH REVENUE.

115. The Director General remarks that it is worthy of note that notwithstanding the loss upon working the CEYLON Line (from which loss the Government of India is seeking relief), the net charge of the Indian Telegraph Department on the Imperial Revenue is now solely due to Capital Expenditure.

ADMINISTRATION.

116. *16, Administration.*—Increase £21,000 spread over various Provinces.

MINOR DEPARTMENTS.

117. *17 & XIV, Minor Departments.*—Expenditure less £187,000. Revenue more (for Chinchona) £40,000. Net Expenditure £297,000. Local Funds Expenditure estimated under this Head now transferred to others.

Regular Estimates, (Expenditure) 1878-79.

118. *18 & XV, Law and Justice.*—Expenditure more £101,000. Revenue more £51,000. Net Expenditure more £50,000. High prices of food and consequent increase in cost of maintaining prisoners. LAW AND JUSTICE.

119. *19 & XVI, Police.*—Expenditure more £57,000. Revenue more £144,000. Net Expenditure less £87,000. Net Expenditure £2,212,000. Local Funds (chiefly Cattle Pounds) yielding £129,000 of Revenue with corresponding expenditure, transferred from *VI, Provincial Rates* and *17 Minor Departments.* POLICE.

120. *20 & XVII, Marine.*—Expenditure more £23,000. Revenue more £32,000. Net Expenditure less £9,000. Net Expenditure £364,000. No remarks. MARINE.

121. *21 & XVIII, Education.*—Expenditure less £29,000. Revenue more £34,000 (£28,000 transferred from *VI, Provincial Rates*). Net Expenditure less £63,000. Net Expenditure £841,000. Saving in MADRAS. EDUCATION

122. *22, Ecclesiastical.*—Saving £6,000. Accidental. ECCLESIASTICAL.

123. *23 & XIX, Medical.*—Expenditure more £16,000. Revenue more £20,000. Net Expenditure less £4,000. Net Expenditure £610,000. No remarks. MEDICAL.

124. *24 & XX, Stationery and Printing.*—Excess Expenditure £79,000. Excess Revenue £28,000. Net Excess Expenditure £51,000. Net Expenditure £461,000. Growth of expenditure general. STATIONERY AND PRINTING.

125. *25, Political.*—More £68,000. Arrears of subsidy paid to His Highness the Khan of Khelat. POLITICAL.

126. *26, Allowances and Assignments.*—Excess £178,000, of which £164,600 is for the salt payments for Sambhar, and under the new engagements with Native States in Rajputána. ALLOWANCES.

127. *27, Civil Furlough Allowances.*—Less £2,000: accidental. FURLOUGH ALLOWANCES.

128. *28 & XXII, Superannuations.*—Expenditure more £139,000. Revenue more £80,000, explained mainly by the authorised retirement of many of the Subscribers to the Bombay Medical Retiring Fund, who will receive back their subscriptions amounting with interest to £68,739. The balance at credit of the Fund did not suffice to meet the claim of these Retiring Members. Apart from this, however, the expenditure under this Head, already large, is generally increasing. Net excess Expenditure £59,000. Net Expenditure £1,303,000. PENSIONS.

129. *30, Famine Relief.*—Excess Expenditure £55,000. A grant of £500,000 was made all for expenditure in MADRAS. In that Presidency the actual expenditure is only £450,000, the Provincial Government having contracted to close the Famine Account for this sum. But £100,000 has been spent in the NORTH-WESTERN PROVINCES AND OUDH, of which £37,500 was paid from Provincial Resources, £4,000 in BOMBAY, and £1,000 in RAJPUTÁNA. FAMINE RELIEF.

130. In the 13th paragraph of the Resolution prefixed to the Financial Statement for 1878-79, the ultimate net cost of the Famine of 1876-78 in SOUTH INDIA was estimated at £9,750,000; but it was explained in the Statement itself that perfect accuracy was unattainable. The difficulty of making any accurate estimate has now been increased by the complication of scarcity supervening in UPPER INDIA before the cessation of Famine Expenditure in the South. ESTIMATED COST LAST YEAR.

131. The arrears of Land Revenue collected in 1878-79 are expected to exceed the Regular Estimate by £170,000; and it is estimated that, in 1879-80, further arrears amounting to £200,000, lying over from the Famine in SOUTHERN INDIA will be collected. Perhaps the net direct cost of the Famine may now be estimated at £9,400,000; namely, £1,300,000 in BOMBAY and £8,100,000 in MADRAS. But the loan to MYSORE has now been increased to £800,000, making with £500,000, lent to His Highness the Maharaja Sindhia, £1,300,000 in all lent to Native States. The cost of the Dhond and Munmar Railway, which was undertaken solely on account of the Famine, is now estimated at £1,350,000; it is impossible at present to say to what extent this capital expenditure will be reproductive; it is as yet yielding nothing. There were other items of expenditure of a like kind which cannot be so readily identified. PRESENT ESTIMATE, £9,400,000.

132. Altogether the disbursements of the Government of India, together with the loss of Revenue due to the Famine in SOUTH INDIA, will probably fall little short of £13,000,000. The loss to the country must have been much more than even this formidable sum. GROSS OUTLAY £13,000,000.

133. *31 & XXIV, Public Works Ordinary.*—Expenditure less £84,000. Revenue more £328,000. £296,000 transferred with corresponding expenditure from *VI, Provincial Rates* (chiefly ferries and tolls). Net Expenditure less £412,000. The transferred Local Revenue greatly exceeds the transferred Local Expenditure. PUBLIC WORKS ORDINARY.

134. *32 & XXV, Irrigation and Navigation.*—Revenue more £108,000. Expenditure less £105,000. Net Expenditure less £205,000. £85,500 Revenue transferred from *VI, Provincial* IRRIGATION AND NAVIGATION.

Regular Estimates, (Expenditure) 1878-79.

Rates. Owing to the changes which this Head has undergone, it is not possible to explain the remaining difference from estimate satisfactorily.

135. The portion of these Heads which appertain to *Productive Public Works* is separated off below the first total in Abstract Statement No. II and shows Revenue more £29,000. Expenditure more £13,000. Net Revenue more £16,000. Net Revenue £195,000.

GUARANTEED RAILWAYS.

136. *33 & XXVI, Guaranteed Railways.*—The details of these Railways will be found in Appendix B (Table No. V); and a comparison between the original and the present estimates of the finances of these Railways for the current year can be most conveniently made by that Table. It was originally estimated that these Railways would impose upon the Revenue a net charge of £906,450. The charge is now expected to amount to £1,490,400, or £583,950 more. Of this sum £92,500 is due to a falling off in the Net Traffic Earnings, chiefly by reason of large expenditure for the restoration of works injured by floods; £164,500 to an increased charge for interest, which is entirely caused by the fall in the Exchange, for the actual sterling payment is £10,000 less: the share of the increased loss by exchange which appertains to these transactions is in fact £170,400. £294,000 is for increased Surplus Payments to the Companies, of which half is due to the earnings during the last half-year of 1877-78 having been larger than was expected, and half to an error in the Original Estimate; and £42,450 is owing to excess loss upon the Capital Transactions.

FALLING OFF.

137. Thus these Railways are now expected to yield £1,884,256 less than in 1877-78, and a smaller net revenue than in any earlier year since 1873-74. The gross earnings will, indeed, be far larger than in any of these earlier years; but the working expenses are, owing to costly restorations, rather high. A main cause of the unfavourable comparison of the present year with recent years other than 1877-78 (the circumstances of which year were altogether exceptional) is the progressive fall in the exchange. The growth of the Net Traffic Earnings has been considerable; but it has not kept pace with the increased charge for interest and, above all, with the increased cost of the interest in silver. The last cause unfavourable to the year's finances is the exceptional amount to be paid for Surplus Profits which were largely earned last year.

STATE RAILWAYS.

138. *34 & XXVII, State Railways.*—Expenditure more £328,000. Revenue less £7,000. Net Expenditure more £321,000. Net Expenditure £27,000. The portion of the capital cost of the *Mathura-Hatras* and *Ghazipore-Dildarnagar* Local Lines subscribed to date from Provincial and Local Funds by the Government of the North-Western Provinces is now shown here as expenditure besides the expenditure upon Surveys and upon the Indian Salt Lines. The portion of the State Railway Revenue and Expenditure which appertains to Railways treated as Productive Public Works in the Accounts will be found below in the first total Abstract Statement No. II, and shows decrease of Revenue £7,000; increase of expenditure £72,000; more Net Expenditure 79,000 and a Net Revenue of £179,000. The traffic upon these Lines does not grow as quickly as might be wished.

MADRAS CANAL COMPANY.

139. *35 & XXVIII, Madras Irrigation and Canal Company.*—For the first time in its history the works of the Company are expected to yield some Revenue in excess of the working expenses; the net expenditure shews an improvement of £16,000. But this is owing to the collection of arrears of Revenue coupled with the refusal of the Government to bear any longer the excess current working expenses of the works of this Company. The true effects during recent years upon the Indian Finances of the guarantee of interest upon the Capital of this Company is shown in Appendix B, Table VI.

PROVINCIAL SURPLUS AND DEFICIT.

140. *36 & XXIX, Provincial and Local Surplus and Deficit.*—Surplus more £279,000. Deficit less £235,000. Net result better £514,000. It was expected that the Provincial Governments would spend £268,000 more than their accruing Revenues. They are now estimated to spend £246,000 less than their accruing Revenues. Some part of this improvement of the Provincial resources is explained by the concessions to BURMAH and ASSAM; but the bulk of it is due to improvement in the Provincial and Local Revenues and to reduction of the Provincial Expenditure. The closing balances of the Provincial and Local Treasuries at the end of each year will be found in Abstract Statement No. IX.

THE ARMY.

141. *37 & XXX, The Army.*—Expenditure more £1,210,000. Revenue more £30,000. Net Expenditure more £1,180,000. Net Expenditure £16,085,000.

COST OF THE WAR.

142. It is impossible at present to estimate the cost of the Military Operations now in progress beyond the North-Western Frontier of India; but it is believed that the excess cost of the Army attributable to that cause recorded in the Accounts of 1878-79, will not exceed £670,000. The remainder of the excess here is due to higher prices in India (£350,000) and to increased expenditure at the *Home Treasury* (£166,900 net).

Regular Estimates, (Expenditure) 1878-79.

143. *38 & XXXI, Loss and Gain by Exchange.*—Loss more £400,000. Gain less (smaller Net Railway Traffic Earnings) £74,000. Net Loss more £474,000, notwithstanding that £1,320,000 less than Estimate has been remitted to the Home Treasury. Instead of £17,000,000 only £15,680,000 are now expected to be so remitted. EXCHANGE.

144. The estimated rate of Exchange of the year was 1*s.* 8·4*d.*, which was, at the time, considered so low that overtures (which could not, of course, be entertained) were made to the Government for a contract for the whole remittance at a higher rate. The actual rate has been 1*s.* 7¾*d.*, or nearly three farthings worse. FURTHER FALL OF EXCHANGE.

145. The gold prices of silver have fluctuated much more than last year, the highest price being 54¼*d.* on the 2nd April, the lowest 48½*d.* on the 21st December. The phenomena in India have all tended to a weaker exchange. The net amount borrowed by the Government has been less than last year by £3,640,606. The Excess Exports of commodities (other than gold and silver) in the first ten months of the year is only £15,434,055, being £2,318,813 less than last year, and the Net Silver imported has declined from £13,117,467 to £2,187,577, or by £10,929,890. GOLD PRICE OF SILVER. UNFAVOURABLE CIRCUMSTANCES.

146. *39, Productive Public Works.* The Capital Expenditure on *Productive Public Works* is now estimated at £4,599,000, being an excess over estimate of £44,000. This excess is due to the inclusion by the orders of the Secretary of State under this Head of the whole expenditure upon the MADRAS HARBOUR WORKS to the end of 1878-79, estimated at £244,000. PRODUCTIVE PUBLIC WORKS CAPITAL EXPENDITURE.

147. The arrangement sanctioned by the Secretary of State in respect to these Works is that the whole expenditure upon them, up to a maximum of £628,000, shall be entered under this Head in the Accounts, and that Port-dues shall, when the Harbour is completed, be levied at such rates as will yield to the Provincial Government a net income amounting to 4 per cent. interest on the capital cost up to this maximum of £628,000. The Government of India has undertaken, as its share of the burden, to advance this sum without interest until the Harbour is completed and the Port dues are levied. The Provincial Government will defray from Provincial Resources any cost of the Harbour in excess of the sanctioned sum of £628,000, and any such excess will be entered in the accounts as Ordinary Expenditure and not under the Head 39, *Productive Public Works.* The Provincial Government will also make good to the Imperial Treasury from Provincial Resources 4½ per cent. interest upon the whole amount advanced from the Imperial Treasury. MADRAS HARBOUR WORKS.

148. The details which make up the rest of the estimated capital outlay of £4,599,000 will be found in Tables VII and VIII, Appendix B. The expenditure upon the Punjab Northern and Indus Valley State Railways and upon the re-alignment of the Western Jumna Canal is estimated at £1,277,000. For reasons repeatedly given, this expenditure cannot be expected, within any time which can be foreseen, to produce a profit equal to the interest upon it. DETAILS OF CAPITAL EXPENDITURE ON PRODUCTIVE PUBLIC WORKS.

149. The Productive Public Works Revenue and Expenditure Account shows the following results: Expenditure more £432,700; Revenue less £47,000. Total more £479,700, which is due, partly to the interest being reckoned at 4½ instead of 4 per cent. (a rate which is no longer sufficient), but mainly to the loss upon the Railways. The Accounts show Revenue £6,569,000; Expenditure £8,251,000; to which if the Gain by Exchange, £374,000, and the Loss by Exchange, £1,015,720, be added, the result is— PRODUCTIVE PUBLIC WORKS REVENUE AND EXPENDITURE.

	£
Revenue	6,943,000
Expenditure	9,266,700
Deficit	2,313,700

against which is to be set the excess Land Revenue due to the Productive Works of Irrigation in MADRAS and the interest on the Productive Public Works Capital Expenditure, which is not yet producing profit. It will be remembered that the Guaranteed Railways are expected to yield net £1,884,256 less this year than last.

Regular Estimates, (Ways and Means) 1878-79.

150. The capital upon which interest at 4½ per cent. per annum is reckoned in this Account is as follows: Total to the end of 1877-78 £29,094,020, in 1878-79 £4,599,000 and in 1879-80 £3,500,000.

WAYS AND MEANS 1878-79.

151. Including the Capital Expenditure upon Productive Public Works, and excluding the book-credits from the Military Funds, the Public Expenditure in 1878-79 is now expected to exceed the Public Revenue by £3,656,000. The net Loans to Native States (chiefly Mysore and Gwalior) and Corporations, chiefly at BOMBAY (Water Works and Docks) amount to £1,040,000. The Railway Companies are expected to withdraw Capital amounting to £710,000. The other items of the Debt Account are expected to result in the net disbursement of £460,959. Thus the total Net Disbursements of the year in excess of the Revenue are expected to amount to £5,103,959. Of this sum £1,374,959 is provided by the reduction of the Public Balances from £15,574,959 to £14,200,000, and Public Debt amounting to £4,498,000 has been incurred for the remainder.

LOAN OPERATIONS, 1878-79.

152. This sum of £4,498,000 borrowed is thus made up:—

	£
Borrowed under the Notification No. 616, dated 27th May 1878	2,500,000
Net borrowed in London	622,100
Net borrowed in India (Cash subscriptions to Transfer Loan 1879 (£1,393,457) less some miscellaneous repayments) ...	1,375,900
	4,498,000

CASH SUBSCRIPTIONS TO TRANSFER LOAN.

153. It must be admitted that the assistance of the cash subscriptions to the Transfer Loan 1879 has proved convenient, and that it would have been difficult to have carried on the Public Service without that aid. The Government was compelled further to obtain a temporary loan £400,000 during the year from of the Bank of Bengal; but this has long since been repaid.

REMITTANCES.

154. Of the £15,680,000 remitted to the Home Treasury £14,164,000 was supplied in the usual way. For the balance of £1,516,000, bills were bought, in October and November, at a usance of six months, in Calcutta, at rates which compared favourably with the rates which could, at that time, be obtained for the Secretary of State's bills in London. This phenomenon was due to money being, at the moment, exceptionally plentiful in Calcutta and exceptionally scarce in London—a coincidence which seldom happens. It is very unlikely that the Government will often depart from the established method of supplying the Home Treasury by selling bills upon India in London.

PURCHASE OF BILLS.

NET DEBT OF THE YEAR.

155. Deducting the Loans to Native States, &c., and the Railway Capital repaid, the net addition to the Public Debt during the year is only £2,748,000—much less than the capital expenditureon Productive Public Works (£4,599,000).

COMPARISON OF REGULAR WITH BUDGET ESTIMATES.

156. Compared with the Original Estimates, the whole Deficit of Revenue deducting the book-credits from the Funds is £976,000 more; £440,000 more has been lent to Native States (chiefly Mysore), and £290,000 less was withdrawn by Guaranteed Railway Companies; the Balances have supplied £125,041 less than was expected, and the net result of the other Debt items is £929,959 worse. The increase to the Public Debt is £1,998,000 more than was estimated.

TRUE SURPLUS BY ORIGINAL ESTIMATES, 1878-79.

157. At the close of the last Financial Statement, it was explained that, while the Surplus shown upon the face of the Estimates for 1878-79 was £2,156,000, the true Surplus, after deducting the book-credits from the Military Funds and the estimated arrears of Land Revenue in excess of the estimated cost of the Famine during the year, was only £1,759,000. In this calculation, it was overlooked that provision was then made for remittances to the Home Treasury in excess of the net current requirements of the year, the entry under Loss by Exchange (£3,000,000) exceeding by £257,000, the amount which would have sufficed for those net current requirements: and that £200,000 had been provided for discount on the then forthcoming Loan: such discount is not a proper charge of the year in which it occurs. Thus, the true estimated Surplus of 1878-79 was £2,216,000.

Regular Estimates, (Ways and Means) 1878-79.

158. The Surplus which appears upon the face of the Regular Estimates is £1,300,000, from which £357,000 must be deducted for the book-credits from the Military Funds; on the other hand £141,575 must be added because the provision for Loss by Exchange exceeds by this amount the sum which would be necessary if only the net current requirements of the Home Treasury for the year were remitted. Considering the extent to which the expenditure of the year has been increased by the high prices of food, it is not perhaps necessary to set off anything for arrears of Land Revenue considerable though they be, (about £800,000) in excess of the charge for Famine Relief (£555,000). The Discount charge is £39,000, and the portion of the last half-year's interest upon the Five and-a-half per Cent. Loan in anticipation of due date may be estimated at £185,000. TRUE SURPLUS BY PRESENT ESTIMATES.

There remains, therefore, a true Surplus of £1,309,000 to compare with the estimated Surplus of £2,216,000, shewing a deficiency of £907,000.

159. Considering that this Surplus exists after paying the whole charges of the War, amounting to £670,000; after allowing for a charge for Loss by Exchange higher by £497,313 than the sum taken in the Estimates of the year; and notwithstanding the other adverse influences that have been stated, the result, although less favourable than was anticipated at the beginning of the year, must be considered satisfactory. Although, under the two Heads War and Loss by Exchange alone, both of them virtually beyond control, the Government has spent £1,258,000 more than was expected, there is still a Surplus of £1,309,000. In the Financial Statement of last year it was said that the Government hoped to provide in 1878-79 from the normal resources of the year a sum of £500,000 for the relief of famine, and that a Surplus of at least £1,000,000 would be available from the Revenues of the year for the purposes of Famine Insurance. The total estimated Surplus of the year was, as has been explained, largely increased by special causes. The sum of £555,000 has been spent on Famine Relief, and a surplus of £1,309,000 for Famine Insurance has been provided; but it must not be forgotton that these results would evidently not have been attained if the Government had been obliged to trust only to the normal revenues of the year. RESULT CONSIDERED SATISFACTORY.

160. It remains to remark that it is a mistake to suppose that £1,500,000 of new taxes was imposed in order to secure the surplus of £1,500,000 held necessary as a provision against Famine. The real net taxation imposed last year and in 1877 was only as follows:— AMOUNT OF NEW TAXES.

	1878-79.	1879-80.
Additional Cesses as follows—	£	£
BENGAL (PUBLIC WORKS CESS)	338,000	332,700
ADDITIONAL (FAMINE) CESS IN PUNJAB	48,900	49,000
NORTH-WESTERN PROVINCES AND OUDH	*Nil*	82,500
CENTRAL PROVINCES	12,800	12,800
TOTAL CESSES ...	399,700	477,000
ASSESSED TAXES, less Pandhary (which is old) (Gross Revenue less Refunds)	803,700	832,400
SALT, say, ...	150,000	*Nil*
Total ...	1,203,400	1,309,400
Deduct INLAND SUGAR DUTIES and CUSTOMS DUTIES remitted	232,000	232,000
NET ADDITIONAL TAXATION	971,400	1,077,400

161. There will remain still to levy hereafter £27,500 of the Famine Cess in the NORTH-WESTERN PROVINCES AND OUDH. Thus the total eventual new taxation may be estimated at £1,104,900. EVENTUAL AMOUNT.

BUDGET ESTIMATES, 1879-80.

162. In the following Synopsis the First Estimates for 1879-80 are compared with the Regular Estimates for 1878-79 and with the Accounts for 1877-78.

Synopsis.

	Accounts, 1877-78.	1878-79.	1879-80.	First Estimates of 1879-80, compared with			
		Regular Estimates.	First Estimates.	Regular Estimates, 1878-79.		Accounts, 1877-78.	
				Better.	Worse.	Better.	Worse.
	£	£	£	£	£	£	£
Revenue	58,969,301	64,680,000	64,562,000	...	118,000	5,592,699	...
Expenditure	62,512,388	63,380,000	65,957,000	...	2,577,000	...	3,444,612
Excess Revenue ...	...	1,300,000	...	...	...	...	...
Excess Expenditure ...	3,543,087	...	1,395,000	...	2,695,000	2,148,087	...
Capital Expenditure on Productive Public Works.	4,791,052	4,599,000	3,500,000	1,099,000	...	1,291,052	...
Net Excess Expenditure ...	8,334,139	3,299,000	4,895,000	...	1,596,000	3,439,139	...
Receipts other than Revenue.	72,851,859	76,560,000	67,335,500	...	9,224,500	...	5,516,359
Disbursements other than Expenditure.	64,407,426	74,635,959	63,140,500	11,495,459	...	1,266,926	...
Excess Receipts other than Revenue.	8,444,433	1,924,041	4,195,000	2,270,959	...	...	4,249,433
Public Balances Reduced ...	...	1,374,959	700,000	674,959	...	...	810,294
Public Balances Increased...	110,294	...	...	...	...	...	...
Closing Balances ...	15,574,959	14,200,000	13,500,000	...	700,000	...	2,074,959

163. The explanation of the variations between the First Estimates 1879-80 and the Regular Estimates 1878-79 are as follows:—

REVENUES.

Land Revenue. 164. *I, Land Revenue.*—Less £296,000 in Madras and the North-Western Provinces. Less arrears to be collected next year.

Tributes. 165. *II, Tributes.*—Less £6,000. This year's revenue contained some arrears.

Forests. 166. *III & 5, Forests.*—Revenue more £79,000. Expenditure more £37,000. Net better £42,000. Some little recovery from the depression this year.

Excise. 167. *IV & 5, Excise.*—Revenue more £150,000. Expenditure more £ 27,000. Net better £123,000. Net Revenue £2,624,000. The following improvements are expected: Bengal £15,000; North-Western Provinces £25,000; Punjab £4,000; Madras £70,000; Bombay £30,000; Central Provinces £11,000. £100,000 was lost in the North-Western Provinces ad the Punjab this year, and £29,000 would be a moderate recovery. The £100,000 improvement expected in Madras and Bombay would only replace those Provinces in their normal condition as to this revenue. The excess expenditure is for compensation to the Municipal Corporation of Bombay and other persons in connection with the reform of the Excise Revenue there.

Assessed Taxes. 168. *V & 7, Assessed Taxes.*—Revenue more £27,000. Expenditure less £5,000. Net better £32,000 besides £10,000 less Refunds. The chief improvement is in Bengal, where some arrears are expected to remain from this year.

Provincial Rates. 169. *VI & 8, Provincial Rates.*—Revenue more £60,000. Expenditure more £10,000. Net more £50,000. The Famine Cess (estimated to yield £110,000) was not levied this year in the North-Western Provinces and Oudh. Provision is made for the levy of £82,500 or three-fourths of this Cess next year. The Regular Estimates include arrears in Madras.

Customs. 170. *VII & 9, Customs.*—Revenue less £192,000. Expenditure £1,000 more. Net worse £193,000. The exemption from import duty of all cotton goods which contain no yarn of a higher count than 30*s.*, is estimated to entail a sacrifice of £200,000, of which £150,000 will fall upon 1879-80. The Revision of the Tariff Valuations involves a net loss of £42,000.

EXEMPTION FROM IMPORT DUTY OF ALL COTTON GOODS CONTAINING NO YARN OF A HIGHER NUMBER THAN 30*s*.

REFORM OF CUSTOMS TARIFF.

171. In the Financial Statement for last year, the Government of India announced its intention of undertaking, conformably to the desire of Her Majesty's Secretary of State, a gradual reform of the Customs Tariff. The principles on which this reform could be carried out were distinctly enunciated with regard both to the Tariff generally, and to the question in particular of the abolition of the duties on the importation of cotton goods and yarns into India.

ABOLITION OF DUTIES ON MINOR ARTICLES;

172. As a measure of general relief, the duties were removed on Railway Materials, and on a very large number of articles, comprised under 26 major heads of the Tariff, which yielded insignificant contributions to the Customs Revenue.

ON LONG-STAPLED COTTON RAW;

173. Respecting the Cotton Duties, the first step taken was to abolish the duty on Foreign Raw Cotton imported into India. This duty was imposed in 1875, with the view of placing Indian and English manufacturers on the same footing in regard to the finer classes of goods; but it was held by Her Majesty's Government to be objectionable in principle, and it proved, as was foreseen at the time, almost entirely unproductive.

AND ON COARSER COTTON GOODS.

174. In further conformity with the views of the House of Commons, and the instructions of Her Majesty's Secretary of State, the Government of India determined to commence with the removal from the Tariff of the coarser qualities of cotton goods, which are subject to competition from the Indian mills and looms, and upon which the present duties are consequently in fact, as well as in principle, protective. The protection actually afforded was seen to be both indirect and direct. It was indirect through displacement of finer imported goods by the coarser and cheaper locally-made articles; it was direct, by the freedom of the latter from the taxation borne by imported goods of a similar class. With indirect protection, it was then felt to be impossible to deal.

ALL IMPORTED GOODS CONTAINING YARN'S NOT ABOVE 30*s* INJURED.

175. The real test of direct protection or the reverse was decided to be "the quality or fineness of the yarn of which the goods consist." Yarn designated 30*s* being known to be the very finest ordinarily made in India, or used for making cloth in the Indian mills, that count was adopted as the limit for exemption from duty with the view of removing direct protection. As, however, the count of yarn in the composition of cloths is never declared by importers at the Custom House or elsewhere, and as the extent to which a simple limit of 30*s* might admit shirtings, long cloths and other textures forming the bulk of the grey goods imported, was unknown, the necessary avoidance of financial risks required, as a further condition, that the goods freed from duty should be of certain specified and well-known descriptions, with which the successful competition of Indian manufacturers could be safely asserted. The limit of exemption for grey yarns was fixed at 32*s* for mule twist, and 20*s* for water twist.

RELIEF NOT ENOUGH.

176. To this measure, which took effect on the 18th of March 1878, the Government of India was not surprised to learn that strong objections had been raised. It only purported to be a safe commencement in a desired direction; and its scope was unavoidably limited, not only by financial considerations, but by the absence of comprehensive designations for the goods entitled to relief.

COMMISSION APPOINTED.

177. With the view of ascertaining the exact nature and bearing of the objections raised from without, and the feasibility of making a further advance on the line of policy definitively adopted, the Government of India, early in February last, nominated the Honorable T. C. Hope and Mr. J. D. Maclean, Collector of Customs at Calcutta, as a Commission to inquire into the matter, consulting freely the members of the mercantile community. The instructions issued to the Commission, and the report it has submitted, are published as Appendix A to the present Resolution.

ITS REPORT

178. The Commission reports that the Notification of March 18th, 1878, was "sufficient and suitable for the objects the Government had in view, and that it has worked, within the limits it was intended to work in, without much trouble or complaint." But the Commissioners find that the real cause of

complaints regarding piece-goods lies in "the fact that there is little essential difference between the cloths which have been exempted and large classes of cloth, otherwise styled, which have not;" and they state that—

"the only effective remedy obviously is to treat similarly, whether by exemption or taxation, all cloths of the same texture, irrespective of the lengths and widths in which they happen to be made up, or the names by which people may choose to call them. This course is that which is, more or less explicitly, asked for by the Chambers of Commerce of Bengal and Manchester, as well as by four mercantile firms in Calcutta, four in Madras, and four in Bombay, who have been consulted, and is approved by the Bengal Board of Revenue and the Customs Collector and Government of Madras. On the other hand, it is opposed at Madras by the Board of Revenue and one firm, and by the Chamber of Commerce, a copy of whose letter is appended. The Bombay Chamber of Commerce, and the Governments of Bengal and Bombay, have expressed no opinion."

ADHESION OF BOMBAY CHAMBER.

179. With reference to the last sentence of this quotation, it must be added that, since it was written by the Commission, the Bombay Chamber of Commerce, at a general meeting held on the 4th instant, passed the following Resolution:—

"That the Government of India be urged to exempt from Customs duty all cotton goods of every size and denomination, if made of yarn of No. 30*s* and under."

LIMIT OF 30*s* TO BE MAINTAINED.

180. The question immediately arising from the conclusion of the Commission which has just been quoted is, what texture of cloth, or in other words, "what number of yarn should be made the limit of exemption." After careful consideration of all available evidence, including recent special enquiries, the Commissioners hold that the limit of 30*s*, established last year, should be adhered to. They think there are—

"good grounds for believing that, except in a small number of isolated instances, the limit of 30*s* fixed by the Notification goes rather beyond what is necessary for abolishing existing direct protection. The small margin thus left is, however, useful in many ways, by leaving room for errors of estimate, by covering isolated higher manufacture, by allowing a greater difference between warp and weft, by minimising disputes, and by promising greater permanence for the limit than could otherwise be expected. A limit of 26 *s* might cover the bulk of the manufacture for a time, but it could not be long maintained, while much outcry would be caused by a reduction from the existing limit of 30*s*, which seems to have been generally approved."

INDIRECT PROTECTION.

181. The indirect protection, on the other hand, they find not sufficiently palpable to call for an immediate remedy. It is, in their opinion, removable only "by an exemption going far beyond the present limits of actual local manufacture, and involving a sacrifice of revenue not absolutely necessary."

LIMIT OF 32*s* AND 20*s* FOR GREY YARNS.

182. Upon grounds virtually similar, the Commission advocates the maintenance of the limit of 32*s* mule and 20*s* water adopted for grey yarns in the Notification of March 18th, 1878. Relying upon the well ascertained facts that the Indian mills rarely make yarns even as fine as these numbers, that Indian cotton is sent to England to be spun into fine yarn for re-export back to India, and that the importations of fine yarn show no symptoms of decline, the Commissioners see no sufficient grounds for acceding, at a cost of about £35,000 per annum, to the proposal, which has been put forward, for exempting all yarns up to 36*s* water and 42*s* mule.

GOVERNMENT CONCLUSIONS.

183. The report of the Commission brings to light some important facts establishing the need for early action to relieve those imported goods which are exposed to local competition. In 1875, the Tariff Committee estimated at £40,000 the duty paid on imported coarse goods competing with local manufactures. The Commission now put the loss by exempting such goods at £20,000 in an ordinary year; in the year just expiring it will probably not exceed £13,000. In other words, one-half, or more, of this branch of the import trade existing in 1875 has disappeared. This decline further corroborates the statistics quoted by the Secretary of State, in paragraph 23 of his despatch, dated 31st May 1876, from a letter of the Bombay Chamber of Commerce, showing the falling off in the imports of coarse goods in the years 1872 to 1874 compared with 1858 to 1860; and it gives additional weight to the conclusions drawn by him from the facts before him.

"Comparing," he said, "the average per year of 1858, 1859 and 1860, the three years immediately preceding the American War, with the average per year of the last three years, 1872,

1873 and 1874, we find the following decrease in each of these descriptions of cloth and yarns, *viz.*:—

T. cloths	... 381,111 pieces.
Long cloths	... 275,261 „
Domestics	... 170,699 „
Mule twist, above 20*s.* and under 30*s.* ...	... 528,418 lbs.
Mule twist, 20*s.* and under	... 447,916 „
Water twist, 20*s.* and under	... 1,126,739 „

These figures conclusively show that, so far as the import trade of Bombay is concerned, a serious decline has taken place in this branch of trade during the period in question, but their significance is increased by the considerations urged in the following extracts from the letter of the Chamber :—

"It should be remembered that this absolute decrease has occurred, after a lapse of 14 years of profound peace and security, in cloth and yarns principally consumed by the poorer classes, whose condition, it is well known, has immensely improved from a variety of circumstances, and during which period railway communication throughout the country was yearly extending. In 1860, 836 miles of railway only were open in British India; in 1873, the number of miles of railway open had increased to 5,872. The progress of education, closer and more frequent contact with more advanced communities, and the wealth accumulated by the cotton cultivators throughout the Presidency during the American war and for several years subsequently, when the prices obtained showed enormous profits on the cost of production, combined to increase the demand for cloths and yarns of these descriptions to an extent far exceeding the demand which would have arisen at the ordinary rate of progress in ordinary years.

"The Chamber apprehend that, under the circumstances, a very great increase indeed in the present imports of low cloths and yarns over the imports of the years immediately preceding the American war would be necessary to show that the import duty has not been operating as a protective duty, unless experience proves, after the abolition of the import duty, that local mills are able to compete successfully on equal terms with the English manufacturers. As it is, it may be fairly assumed, however, that the duty is maintained at the expense of the consumers, principally the poorer classes, against whom it tells in this instance with particular hardship in a prime necessary such as clothing, and that it is injurious to the thousands of village handloom weavers throughout the country, who are prevented from using the English yarns, which they might prefer, and are compelled to pay a higher price for what they do use, in consequence of its operation."

IMPORT TRADE IN COARSE GOODS LOST.

184. The causes of this falling off in the imports of the coarser goods, and the effect attributable to the import duty have been differently appreciated by different authorities; but, although there has been a large increase in the importations of goods of finer quality, the fact is indisputable, that a branch of the trade which was once important has now become insignificant.

DEVELOPMENT OF BOMBAY MILLS.

185. On the other hand, the Bombay mills have, during the last four years, not only increased their exports of yarn and piece-goods to Foreign Countries by 26 per cent. and 51 per cent. respectively, but have more than doubled their exports to other parts of India. It is shown in para. 25 of the Report of the Commission that the total value of these exports, which was £432,000 in 1875-76, had risen to £945,000 in 1877-78.

WITH FLUCTUATIONS.

186. At the same time, the prosperity of the Indian mills has not been unchequered. Last month, the Members of the Millowners' Association at Bombay resolved to close their mills for two days in the week, from 15th February to 15th April 1879, on the ground that the markets were overloaded with their manufactures. The quotation given below from the speech of the Hon'ble Morarjee Goculdas, who moved the resolution to the above effect, explains the circumstances of the case.*

THEIR SUCCESS SATISFACTORY.

187. The Government of India naturally view with much satisfaction the great expansion of local industry which has thus taken place, and the salutary outlets for capital and labour which it affords, and

* The Hon'ble Morarjee Goculdas said: When at the beginning of last year we met to consider the advisability of adopting a resolution similar to that which I am now going to propose formally, I strongly urged the necessity of working our mills on short time, on account of the glut in the yarn and cloth markets. On that occasion I shewed, with detailed facts and figures, how we were working at a disadvantage, compared with Manchester. It is not necessary for me to repeat the same here, but as you may remember, it was then pointed out that the depressed state of trade and the interest of the mills demanded a diminished production, and that if we continued to work at the usual rate, the evils of over-production would soon make themselves felt and end disastrously to the cause of the local mill industry. Unfortunately, although the proposition to put the mills on shorter hours was adopted by the larger part of the Members of this Association present at the meeting held in January 1878, yet it failed to enlist the sympathy of all those whom it concerned, and could not therefore be carried out to the desirable extent. Several mills did adopt the short-hour system, in accordance with the proposition

does not doubt that the depression complained of will be temporary only. But such facts as those which have been stated shew very plainly the duty incumbent on the Government of taking care that the great increase attained in the manufacture of cotton goods by the Indian mills is not fostered by defiance of the fundamental principles of British commercial policy, or by improper restrictions on other classes of Her Majesty's subjects.*

ALTERNATIVE REMEDIES.

188. The Commission has considered, but only to reject them, three remedies alternative to that which, apart from financial considerations, it recommends. It is evident that to give a general exemption of all grey cloths of a certain texture, but to lower the limit to yarns No. 26, would be a retrograde and imperfect measure, by no means inexpensive, yet satisfying no one, and multiplying disputes. To add "chudders" and "dhoties" made of yarn, not exceeding 26*s* to the specified classes exempted under the Notification would be an amendment in harmony with the original intention of the Government, but would give no real relief. To cancel the exemption already granted, and to make from year to year a small additional remission of the general rate of duty, is open, as the Commission points out, to the objection that it gives relief to those who are not in immediate need of it, while withholding it from those who are.

RELIEF URGENTLY WANTED.

189. The general result therefore of the enquiry which has been held is that, on the one hand, the desirability of extending relief at the earliest practicable date, to the suffering branches of the import trade in cotton goods is amply demonstrated. On the other hand, it is equally clear that an amount of relief sufficient, for a time at least, to remove the more urgent and immediate causes of complaint, could be afforded at an annual cost, the estimate of which is admittedly of a vague description, but which ranges from £150,000 to upwards of £200,000. It may safely be assumed that it will not, for the present, exceed the smaller sum.

ITS COST.

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passed at our meeting last year: but unwillingness was shewn in the case of others, and so the movement practically fell through after some time. This want of hearty co-operation on the part of the representatives of all the mills naturally led to over-production, and the supply in the local market soon exceeded the demand. Hence the yarn and cloth which found no sale here were conveyed in large quantities to up-country stations, where also the market has been overloaded, and we have now a good deal of stock to be yet moved off. The causes of this sad state of things are obvious; it has been brought about by circumstances both within and without our reach. The famine, as everybody knows, has told heavily on the consumption of our stock and lessened the demand for cloths in this country. But while the demand has been since these three years diminishing, the supply has, on the other hand, very much increased. There has been a sudden growth of spinning, weaving and manufacturing industry amongst us, and what it ought to have taken about twenty years to bring the present large number of mills into existence, has been brought about in the short space of two or three years. It is not surprising that owing to this sudden increase in the number of our mills some of them should have to work at a loss. The natural consequence of this has been over-production, the evils of which we have failed to prevent in time by proper precautionary measures. The present depression of trade is, of course, not confined to this country; but is general throughout England and other countries on the European Continent, where competition and over-production have blighted the prospects of mill industry to a great extent. But the millowners of all those places have not remained quiet, but have taken and are taking steps to check the evil, and every English mail brings us reports of the adoption of the short-hour system and the reduction of wages in many countries of Europe. While such is the case, all our endeavours to guard our own interests have hitherto failed, and what has been the result of this inactivity? We hear of some mills working at a loss, and, as you know, nearly one-third of the local mill industry has, in the space of a few months, actually failed. Eight mills have already been put into liquidation, and two or three more are expected to go very soon. And if we go on overloading the market in the face of these discouraging circumstances, there is no doubt that we shall be simply ruining our prospects altogether. It is high time, therefore, that we should move at once in the matter and adopt such measures as would prevent the present evils of over-production from being aggravated by their continuance. * * My opinion in fact is that we should all co-operate now more than ever in averting the evils by which our mill industry is threatened through different causes. I have briefly indicated the points in which that co-operation ought to be directed, and I hope they will meet with the unanimous approval of the Members of this Association. But we must make a beginning in the matter, and the best way to do it is by lessening our present rate of production. Seeing that the local and the up-country market has all been overloaded; seeing also that England and other countries of Europe are adopting the short-time system, and taking every precautionary measures against the depression from which their mill industry suffers; and seeing also that our own condition is in no way better, but even worse, as you may see from the recent failures amongst us, I believe it is a duty we owe to ourselves and the shareholders of our mills that we should unanimously carry out the proposal to put our mills on the short-time system of working for the present at least. I say unanimously, because it must be evident to all that without unanimity nothing can be done. If we shew that individual Companies do not pay respect to the opinion of a large majority, we shall be simply lowering this body in the eyes of the public, and there would be little use in continuing an association for the purpose professedly of watching our interests. I therefore entreat you, gentlemen, to think over all this, and trust you will see the necessity of giving a practical effect to the resolution, which I now beg to propose:—"That, with the view of checking the great accumulation of stock during the present period of depression, the Members of the Association do agree to close their respective mills every Saturday and Sunday, from 15th February to 15th April 1879."

* The following passage quoted from a letter addressed on the 6th July 1877, by Mr. Raynsford Jackson to the Marquis of Salisbury, deserves consideration in connection with the statements made in regard to the over-supply by the Indian Mills of the demand for the coarser qualities of goods:—"These facts may

GOVERNMENT DECISION.

190. The Governor General in Council considers that the facts reported by the Commission and those which have now been stated show, conclusively, that adherence to the tentative measures of last year is not possible. It is not reasonable that certain goods should be admitted free, while large quantities of goods of almost precisely the same character in every thing but name, remain liable to duty. No measure falling short of the exemption from duty of all cotton goods containing no yarn finer than 30*s* can be defended; and this measure can no longer be delayed. Its adoption will, for the present at least, remove the directly protective character of these duties. It will be in accordance with the views of the Special Commission; with those stated by the Bengal Chamber of Commerce, in their letter to the Government of India, dated the 17th April 1878;* and with the recommendations of the Manchester Chamber of Commerce made on the 27th March 1878,† and of the Bombay Chamber of Commerce made on the 4th instant.‡ For the reasons stated by the Commission, the Governor General in Council does not think it necessary at present to make any change in regard to the duty on yarns. A Notification has accordingly now been published exempting from import duty all cotton goods containing no yarn of a higher number than 30*s*.

* See Appendix A, page 77.
† See Appendix A, page 77.
‡ See para. 17.

INDIRECT PROTECTION WILL STILL REMAIN.

191. There will still remain, as the Commission has pointed out in paragraph 18 of its Report, "the indirect protection alluded to in last year's Financial Statement which enables the Indian-made coarse goods to displace, by their cheapness or other qualities, finer cloths imported." The facts stated by the Commission show distinctly that this indirect protection cannot be overlooked; but they show, at the same time, the great difficulty of dealing with it by any measure short of the abolition of the duty on all kinds of grey piece goods. Financial considerations render it impossible for the Government of India to deal with this part of the question at the present time. By abolishing the import duty on all goods in respect of which there is any actual competition between English and Indian Mills, and thus removing the directly protective character of the duty, the Governor General in Council has done all that is now practicable.

LOSS OF £150,000 REVENUE.

192. Although the amount of revenue surrendered in the coming year by the measure thus announced is not likely to exceed £150,000, the Governor General in Council does not underrate the importance of the step, taken, as it will be, when no Surplus of revenue over expenditure is expected, but the Estimates show a Deficit; and when the arrangements by which it was hoped that protection against famine would, so far as was possible, be secured for the country, have for the time failed to produce the desired effect.

ACCEPTED NOTWITHSTANDING DEFICIT.

193. The pledges given from time to time in regard to the gradual removal of the duties on cotton goods, have always been made subject to the condition that their fulfilment must depend on the position of the Indian finances. It certainly cannot now be asserted, in the face of the great and increasing loss occasioned by the fall in the value of silver in relation to gold, that the financial condition of India is satisfactory; although every branch of the public revenue is prosperous, and, with the exception which has been mentioned, no fresh causes for financial anxiety are apparent.

WAR.

194. In saying this, the Governor General in Council is not unmindful of the fact that India is still engaged in the prosecution of war. He cannot, however, recognise in this fact any reason whatever for the postponement of a

be accepted as proving that there is a real competition between the productions of the English and Indian Mills for the supply of coarse goods to India.

As regards the medium class of goods which compose nearly two-thirds of our Indian exports, I admit that the Indian Mills are not at present making them extensively, the reason being that they are fully employed in manufacturing the coarser fabrics, on which the transit charges and the duty tell the most heavily in favour of the Native manufacturer and against the importer. Their power to make these goods out of indigenous cotton has, however, been proved, and samples so made have been exhibited in England.

* The English manufacturers, moreover, produced the medium, or shirting, class of goods out of Indian cotton without admixture of other growths, during the American war; and I have no hesitation in saying that when the factory industry of India has so extended as to over-supply the demand for coarse fabrics, the native manufacturer will supplant the British in the supply of the Indian markets with the finer goods.

It is not unimportant that the same opinion has recently been given by an Indian manufacturer interested in more than one Indian mill."

necessary fiscal reform. The consideration of Her Majesty's Government will, he trusts, enable India, not indeed to throw off her just liability for the charges of a necessary war undertaken for the protection of her own interests, but to meet those charges in a way which will throw no serious burden on her resources.

AND FALL OF EXCHANGE.

195. The real question which the Governor General in Council has had to consider is this:—Ought the Government to look upon the fresh financial difficulties arising from the fall in the exchange as a sufficient reason for refusing to sanction any further remission in the duty on cotton-goods? And this question, His Excellency in Council considered, must be answered in the negative. The injury and loss which these duties are causing both to the English producer and to the Indian consumer, and to the true interests of Indian commerce and manufactures, are certain. Measures which, for the present at least, will almost completely remove the protective, and therefore the most objectionable, feature in these duties, can be taken without surrendering any very considerable amount of revenue. The difficulties caused by the increased loss by exchange are great, but they will not practically be aggravated to an appreciable extent by the loss of £200,000. If the fresh fall in the exchange should prove to be temporary, such a loss will possess slight importance. If, on the other hand, the loss by exchange does not diminish, and no other remedies can be applied, it will become necessary to take measures of a most serious nature for the improvement of the financial position; but the retention of the import duties on cotton-goods will not thereby be rendered possible. On the contrary, such retention will become more difficult than ever.

INJURY AND LOSS CAUSED BY DUTIES.

PRINCIPLES OF INDIAN COMMERCIAL TAXATION.

196. The principles by which the action of the Government of India are guided in regard to the commercial taxation of India were explained in the Financial Statement for 1878-79, and it is desirable that they should now be repeated:—

"The principles on which the Customs legislation of the United Kingdom has been based are now admitted axioms by all who recognise the theoretic advantages of free trade. They must be regarded as a part of the national policy which Great Britain has finally adopted, and which the Secretary of State for India, with the deliberate approval of the House of Commons, has required the Government of India in this country to carry out.

These principles are, as regards imports,—

(1) that no duty should exist which affords protection to native industry, and, as a corollary, that no duty should be applied to any article which can be produced at home, without an equivalent duty of excise on the home production; also, that no duty should be levied except for purely fiscal purposes;

(2) that, as far as possible, the raw materials of industry and articles contributing to production should be exempt from customs taxation;

(3) that duties should be applied only to articles which yield a revenue of sufficient importance to justify the interference with trade involved by the machinery of collection.

As regards exports;—that duties should be levied on those commodities only in which the exporting country has practically a monopoly of production.

These principles are of general application, but in the case of India, they possess a peculiar significance. India is a country of unbounded material resources, but her people are a poor people. Its characteristics are great power of production, but almost total absence of accumulated capital. On this account alone the prosperity of the country essentially depends on its being able to secure a large and favourable outlet for its surplus produce. But there is a special feature in the economic conditions of India which renders this a matter of yet more pressing, and even of vital, importance,—this is the fact that her connection with England and the financial results of that connection, compel her to send to Europe every year about 20 millions sterling worth of her products without receiving in return any direct commercial equivalent. It is this excess of exports over imports which, in the language of the economists, is described as tribute. It is really the return for the foreign capital, in its broadest sense, which is invested in India, including under capital not only money, but all advantages which have to be paid for, such as the intelligence, strength, and energy, on which good administration and commercial prosperity depend. From these causes, the trade of India is in an abnormal position, preventing her receiving, in the shape of imported merchandise and treasure, the full commercial benefit which otherwise would spring from her vast material resources.

The comparatively undeveloped condition of the trade of India may be illustrated by the following figures. The value of the imports and exports taken together per head of the population is in the United Kingdom about £20. In British India it is about 10 shillings. The Custom revenue on the few articles now retained in the Import Tariff of the United Kingdom is about 12 shillings per head, while that of India, on all the articles of its lengthy Tariff, is about 3 pence, shewing that small as is the proportion of the foreign trade of India to that of England, the proportion of Customs revenue derived from it is smaller still.

Here then is a country which, both from its poverty, the primitive and monotonous condition of its industrial life, and the peculiar character of its political condition, seems to require from its Government, before all things, the most economical treatment of its resources, and, therefore, the greatest possible freedom in its foreign exchanges."

DO NOT ADMIT OF RETENTION OF DUTIES.

197. Not only are these principles totally inconsistent with the permanent maintenance of protective duties, but, as has just been observed, they add to the difficulty of defending even the temporary maintenance of such duties, in the face of the profound disturbance caused by the change in the relative value of gold and silver.

EFFECT OF FALL IN EXCHANGE.

198. It has been urged by some high authorities that, in its effect upon the import trade of India, a fall in exchange is almost equivalent to an import duty of corresponding amount; and that, while the direct effect of the low exchange is to stimulate the export trade, an opposite influence is produced on imports. Other high authorities dispute the accuracy of this view, and the Government of India does not now desire to discuss this part of the subject. If, however, there be one fact in connection with these most difficult questions regarding which there can be no possibility of doubt, it appears to the Governor General in Council to be this:—The effects which a great fall in the exchange value of the rupee must produce on the trade of India; on the prosperity of the people; on the means at the disposal of the Government for meeting its obligations; on the necessity which may arise of imposing fresh taxation to meet the increased liabilities of the State;—all these are questions which will be variously appreciated; but one thing at least is certain; under abnormal economic conditions such as those now existing, everything which interferes with the natural operations of trade, everything which imposes artificial restrictions, or gives artificial advantages, cannot fail to be mischievous.

REMISSION OF COTTON DUTIES IN HARMONY WITH POLITICAL AS WELL AS ECONOMIC REASONS.

199. It is of course true that such questions as these cannot wisely be settled on economic grounds alone; but, in the present case, the Governor General in Council is satisfied that the political are fully as weighty as the economic reasons for the removal of the duties now under consideration. As observed by the Secretary of State these duties place "two manufacturing communities, upon whose well-being the prosperity of the Empire largely depends, in a position not only of competition but of political hostility to each other. * * The impost is too much at variance with the declared policy of this country to be permanently upheld; but, if the task of dealing with it be long postponed, it will be the subject of controversy between interests far more powerful and embittered than those that are contending over it at the present time." "I will not dwell again at length," the Secretary of State wrote in another despatch, "upon the political reasons which furnish, in my judgment, the weightiest arguments in favour of the course which I have urged upon your Excellency's Government. I need hardly insist further upon the danger of keeping open between two great communities of Her Majesty's subjects an irritating controversy which can be closed by one, and only one solution. It is difficult to overstate the evil of permitting an industry so large as the cotton manufacture in India is certain to become, to grow up under the influence of a system which a wide experience has proved to be unsound, and which is opposed to the deliberate policy of England, nor can I view without serious apprehension, unless it should be the result of natural causes, the gradual contraction of a trade which constitutes one of the strongest bands of material union between England and India."

AND OTHERWISE INEVITABLE.

200. In thus ascribing great weight to the political reasons for the removal of these duties, the Government of India desires that its motive may not be misunderstood. It is not, for the sake of averting an embittered controversy, yielding anything which it would otherwise be unwilling to concede. The impossibility of maintaining protective duties is indisputable and obvious. Such duties must, sooner or later, inevitably, be removed wherever they are to be found. The existing duties on a great variety of articles comprised in the Indian Tariff are, as was shown in the Financial Statement for last year, undoubtedly protective; and they are constantly becoming more so, as the industrial and manufacturing resources of India develop. But the removal of protective duties must necessarily be a work of time, dependent on the state of the finances

and on the expedients which can be devised for replacing the revenue lost. The Government of India deems it right to begin by a single measure of relief which will at once and directly reach one great and important branch of manufacturing industry, rather than by spreading its exemptions over a large area in which their effect, though not lost, might be ill-defined and uncertain.

REFORM ACCOMPLISHED.

201. The measure now announced has been adopted in the sincere belief that it is required by the true interests of the people of India. The late Viceroy, the Earl of Northbrook, declared that "in all financial questions those interests are the only considerations which the Government of India has to regard." The Governor-General in Council unreservedly repeats that declaration. This measure will be a serious step towards the fulfilment of the pledges repeatedly given by the Secretary of State and by the Government of India—pledges which received the strongest possible confirmation from the Resolution adopted by the House of Commons, on the 11th July 1877, without a division :—

RESOLUTION OF PARLIAMENT OBEYED.

"that in the opinion of this House, the duties now levied upon cotton manufactures imported into India, being protective in their nature, are contrary to sound commercial policy, and ought to be repealed without delay so soon as the financial condition of India will admit."

REVISED TARIFF VALUATIONS.

202. The Tariff Commission has also completed its enquiries regarding revised valuations and the other matters which, as shown by the instructions, published in Appendix A, have been referred to it; and on the result of these further enquiries the Commission has submitted a second report which, with one exception, there has not been time to consider in detail.

PRESENT VALUATIONS TOO HIGH.

203. There has been no general revision of the present Tariff Valuations since August 1875, and it has been urged upon the Government by the Chambers of Commerce and others that in many instances these valuations are much above the current market rates, a statement which receives remarkable confirmation from the prices quoted in Table IV of Appendix B. The facts are, in short, indisputable, and it is obviously incumbent on the Government to correct errors of this kind, the practical effect of which is to increase the customs duties beyond the amounts authorised by law.

VALUATIONS REDUCED.

204. The Governor General in Council has, accordingly, resolved to sanction at once the valuations recommended by the Commission, and they will come into effect from the 1st April next. A Notification carrying out this decision has now been published.

COST OF THIS MEASURE.

205. The net decrease of duty consequent on this measure has been estimated by the Commission at £54,424, of which £42,926 is on account of cotton goods. The exemption from duty of grey goods made of yarn of 30*s* and under will reduce the total loss from the revised Tariff valuations by £11,500, and the actual net estimated loss will be £42,000. In accordance with the advice of the Commission and of the Calcutta and Bombay Chambers of Commerce, it is the intention of the Government that the Tariff valuations should in future be revised annually.

OCTROI DUTIES.

206. In connection with the subject of Customs duties, it may be mentioned here that the Government of India has, for some time past, had under consideration the necessity of imposing more complete checks on the system by which, through a large part of India, Octroi Duties are levied for municipal purposes. The Government of India has emphatically condemned the imposition of local taxes on articles which have been either subjected to or relieved from imperial taxation, and has insisted that the duties actually levied shall in all cases fall solely upon articles locally consumed, and shall not be allowed to become taxes on through traffic, or to affect injuriously the general trade of the country.

WILL BE CAREFULLY WATCHED.

207. Although much has been done in this respect towards the enforcement of appropriate rates, continued attention will be given to the subject, so that there may be no danger of finding that the principles by which the Government of India is guided in regard to its commercial legislation have been set aside by local authorities, and that the efforts taken to free the trade of the country from impolitic restrictions have not thus been frustrated.

SALT.

208. *VIII & 10, Salt.*—Revenue £100,000 more. Expenditure decreased £36,000. This is owing to the abolition of the Customs Line, which will be almost wholly removed on the 1st April

next, saving £60,000 a year. But a portion of this saving will be required for establishments at the Salt Sources acquired from the Native States in Rájputáná. The Treaty payments in 1879-80 are estimated at £260,900. The net salt revenue of 1879-80, after deducting those payments, is now estimated at £6,356,100, being nearly £40,000 more than this year, notwithstanding that, as explained in the Regular Estimate, the reduction of duty on the 25th July last in UPPER INDIA and BENGAL is calculated to cause a loss of £150,000 in 1879-80 in excess of the loss in 1878-79. The local estimates and the growth of this branch of the revenue fully justify the estimate now made.

209. *IX & 10, Opium.*—Revenue less £347,000. Expenditure more £737,000. Net worse £1,084,000. Net Revenue £6,500,000. The Revenue has only once (1869-70) been estimated higher than this. The amount of Bengal Provision Opium advertised for sale in the calendar year 1879 is 5,000 chests a month, half Behar and half Benares. The sale of this quantity will leave 31,622 chests of the crop 1877-78 in reserve on the 31st December 1879, as follows :— OPIUM.

BEHAR	8,393
BENARES	23,229
	31,622

being less by 16,860 chests than the corresponding Reserve on the 31st December 1878.

210. In future, the Government do not intend to advertise a year's provision at once, but only to announce the provision which will be offered for sale monthly till further notice given at least twelve months before the monthly provision is altered. Accordingly, it has been notified that 4,700 chests a month will be sold in January 1880, and, month by month, thereafter until further notice, and that this provision will be neither increased nor decreased till further notice. The Notification is reprinted verbatim at foot.* A principal object with which the Government has accumulated the opium reserve is that the Provision offered for sale may not fluctuate with every fluctuating crop. The Monthly Provision of 4,700 chests now settled with effect from January 1880 will not be increased unless the Reserve should become considerably inflated, or decreased unless it should become considerably attenuated. The prospects of the present crop, both in MALWA and BENGAL, are, as yet, fair; but it is hardly perhaps to be expected that Bengal will yield 56,400 chests, which is the quantity which, unless some unforeseen obstacle arises, will be sold in the calendar year 1880. The average produce of the last ten years has been 51,552 chests; the average of the last seven years has been 53,367 chests; and that for the last five years (two of them extraordinarily productive) 56,966 chests. MONTHLY PROVISION SUBSTITUTED FOR YEARLY.

211. *X & 12, Stamps.*—Revenue more £16,000. Expenditure less £5,000. Total improvement £21,000. Net Revenue £2,976,000. STAMPS.

212. The new General Stamp Act 1879 is not designed to cause any direct addition to the Revenue; but there is reason to hope that its careful provisions as to procedure may be productive of revenue by preventing fraud and negligence which now cause loss.

213. *XI & 13, Mint.*—Revenue more £8,000. Expenditure more £8,000. The net result is thus the same as the Regular Estimate for 1878-79. MINT.

* It is hereby notified that in the month of January 1880, and thereafter month by month, till further notice, four thousand seven hundred chests of Bengal Opium will be sold under the usual conditions by auction in Calcutta as follows, *viz.* :—

Behar Opium	2,350 chests.
Benares Opium	2,350 „
TOTAL ...	4,700 chests.

2. This Monthly Provision of 4,700 chests of opium will neither be increased nor diminished until at least twelve calendar months after notice published in the *Gazette of India* under the signature of a Secretary to the Government of India, or in the *Calcutta Gazette* under the signature of a Secretary to the Government of Bengal.

3. The division of the Monthly Provision of 4,700 chests of opium into 2,350 chests of Behar Opium and 2,350 chests of Benares Opium will not be modified until at least six calendar months after notice published in like manner.

4. Provided always that nothing in this Notification shall be understood to prevent the Government, or the Chief Authority to whom the Government may delegate the duty of superintending the sale of Bengal Provision Opium, from selling two Monthly Provisions within one calendar month, instead of in the two successive calendar months in which they would otherwise be sold, whenever the occurrence of Public Holidays or any other circumstances shall appear to the Government to make such modification of the regular course of the Monthly Sales convenient.

5. Provided also, that any chests of opium of which delivery is not taken by the purchasers may be sold in any subsequent month in addition to the 4,700 chests provided for that month.

EXPENDITURE, 1879-80.

INTEREST ON DEBT.

214. *1 & XXI, Interest on Debt.*—Expenditure more £346.000. Revenue more £22,000. Net more £324,000. Provision is made here for an addition of £5,000,000 to the Registered Debt of India during the year.

215. The following table contains the usual statistics of the Funded Debt of India:—

STATISTICS OF DEBT.

Estimated Debt of the Government of India on the 31st March 1879.

(Sterling and Rupees combined on the assumption that £1=Rs. 10.)

Rate of Interest.	Capital amount outstanding. Sterling.	Rupees.	Silver convertible at the option of the creditors into Sterling at a rate equivalent to 1s. 10½d. (exactly 1s. 10·536d.)=1 Re.	Value in Rupees.	A year's interest thereon.
	£				(Half-year only.)
5½	...	1,26,51,700	...	1,26,51,700	3,47,920
5	17,200,000	60,03,000	...	17,80,03,000	89,00,150
4½	...	15,53,26,900	...	15,53,26,900	69,89,710
4	43,176,000	60,10,71,965	...	1,03,28,31,965	4,13,13,280
4	...	...	1,23,06,665	1,23,06,665	4,92,267
7 shillings	...	2,50,000	...	2,50,000	10,500
3½	...	6,52,000	...	6,52,000	22,820
Nil	21,000	3,99,100	...	6,09,100	*Nil*
	60,397,000	77,63,54,665	1,23,06,665	1,39,26,31,330	5,80,76,647

GUARANTEED CAPITAL.

216. The Capital of the Railway Companies and Madras Irrigation Company is £98,103,546, the interest upon which amounting to £4,690,000 is guaranteed in gold in London from Indian Revenues. The total Debt of India, therefore, of all kinds is as follows:—

TOTAL DEBT.

Total Debt of India classified according to the standard (gold or silver) by which it is paid, and brought to the common standard of silver at 1s. 7d. being the estimated average exchange of the year 1879-80.

	Capital of debt. £ Rs.	Capital of debt, gold bearing debt being converted into silver at the expected average exchange of 1879-80. Rs.	A year's interest thereon. £ Rs.	The same, the interest payable in gold being converted into silver at the expected average exchange of 1879-80. Rs.
Interest payable in silver ...	Rs. 76,37,91,335	77,63,54,665	Rs. 3,17,12,248	3,17,12,248
Ditto ditto in gold ...	£60,397,000	76,29,09,600	£2,587,000	3,26,77,890
Ditto ditto in silver, or, at the option of the creditor, in gold at a rate equivalent to 1s. 10½d.=1 Re.	Rs. 1,23,06,665	1,45,73,680	Rs. 4,92,267 or £46,150	5,82,947
Capital of Railway Companies and Madras Irrigation Company, (guaranteed interest payable in gold).	£98,103,546	1,23,92,02,000	£4,690,000	5,92,42,100
Total Capital Debt ...	Rs. 77.60,98,000 +£158,500,546	2,79,30,39,945	Rs. 3,17,12,248 +£7,723,150	12,42,15,185

Budget Estimates, (Expenditure) 1879-80.

217. The average rate of interest upon the whole Debt is now 4·45 per cent. Last year, thus calculated, it was 4·53 per cent. Expenditure.

218. *2, Interest other Accounts.*—More £10,000. The claims of the Civil Funds grow year by year. OTHER INTEREST.

219. *4, Land Revenue.*—Increase £83,000. £19,000 of this is for Village Services in MADRAS. The rest is chiefly due to Survey and Settlement operations. Of the whole increase, only £28,600 falls upon the Imperial Treasury, Provincial and Local Funds bearing the remainder. LAND REVENUE.

220. *14, & XII, Post Office.*—Expenditure more £74,000. Revenue more £73,000. Net Expenditure £97,000; as nearly as possible the same as in the Regular Estimate. POST OFFICE.

221. *15 & XIII, Telegraph.*—Expenditure more £60,000. Revenue more £4,000. Net worse £56,000. Net Expenditure £151,000. This includes 1½ lakhs for Frontier Telegraphs. TELEGRAPH.

222. *16, Administration.*—Increase £14,000; chiefly in the Government of India Offices. ADMINISTRATION.

223. *17 & XIV, Minor Departments.*—Expenditure more £12,000. Revenue less £8,000. Net Expenditure more £20,000. Net Expenditure £317,000. Proceeds sales of Chinchona not estimated so highly. MINOR DEPARTMENTS.

224. *18, & XV, Law and Justice.*—Expenditure less £19,000. Revenue more £14,000. Better altogether £33,000. Some decrease in the price of food expected. LAW AND JUSTICE.

225. *19 & XVI, Police.*—Expenditure more £47,000. Revenue more £20,000. Net Expenditure more £27,000; in BURMAH, where improvement in this Department has long been urgently needed. Net Expenditure £2,239,000. POLICE.

226. *20 & VIII, Marine.*—Expenditure less £51,000. Revenue less £27,000. Net Expenditure less £24,000. Net Expenditure £340,000. Survey Steamer built this year. MARINE.

227. *21 & XVIII, Education.*—Expenditure more £39,000. Revenue less £6,000. Net Expenditure more £45,000. Net Expenditure £886,000. Increase general (£19,000 under Local Funds). EDUCATION.

228. *22, Ecclesiastical.*—Increase £3,000. The expenditure this year is abnormally low. ECCLESIASTICAL.

229. *23 & XIX, Medical.*—Expenditure more £16,000. Revenue less £14,000. Net Expenditure more £30,000. Net Expenditure £640,000. Chief increase in BENGAL. MEDICAL.

230. *24 & XX, Stationery and Printing.*—Expenditure more £27,000. Revenue less £2,000. Net Expenditure more £29,000. Net Expenditure £490,000. The continual increase of this expenditure deserves the attention of the Local Governments; the service is now chiefly Provincial. STATIONERY AND PRINTING.

231. *25, Political.*—Decrease £74,000. Arrears of subsidy paid to Khan of Khelat this year. POLITICAL.

232. *26, Allowances and Assignments.*—Increase £76,000. Salt payments in Rájputáná (£260,900,) exceed this year's payments by £96,300. ALLOWANCES.

233. *27. Civil Furlough Allowances.*—More £1,000. Expenditure this year unusually low. This item is now steady. FURLOUGH ALLOWANCES.

234. *28 & XXII, Superannuations.*—Expenditure less £58,000. Revenue less £152,000. Net Expenditure more £94,000. The retirement of the Subscribers to the Bombay Medical Fund this year increased this expenditure by £68,738. The loss of revenue is nominal; the balances at credit of several of the Military Funds being now exhausted, the transfers to Revenue next year will be less than this year by £143,113. PENSIONS.

235. These Funds, the transfers from which have for so long disturbed the Finances, were as follows:—In each of the three Presidencies there were a Military and a Medical Fund, and in Bengal there was also a Military Orphan Fund—seven Funds in all. The transfers in 1879-80 will exhaust the balances of all but the Bengal Military Orphan Fund and the Madras Medical Fund. MILITARY FUND.

236. *30, Famine Relief.*—£10,000 is provided for expenditure in the NORTH-WESTERN PROVINCES AND OUDH from Provincial Funds. It is earnestly to be desired that no more expenditure may be called for under this Head. FAMINE RELIEF.

237. *31 & XXIV, Public Works Ordinary.*—Expenditure more £219,000. Revenue less £39,000. Net Expenditure more £258,000 of which £100,000 is caused by the transfer of that sum from 39, *Productive Public Works* to cover the cost of the Public Works establishments in excess of requirements. Net Expenditure £4,418,000. PUBLIC WORKS ORDINARY.

238. These excess establishments have been caused by a variety of circumstances. Active measures are in contemplation to reduce the superfluous establishments which are as injurious to the Departmental Administration as to the Finances. Meanwhile, the Government consider that no part of the cost of these superfluous establishments can properly be excluded from the ordinary expenditure and treated as Productive Public Works Capital Expenditure. The remaining excess expenditure is explained by the Local Governments having, at the request of the Government of India, curtailed their expenditure this year. EXCESS P. W. ESTABLISHMENTS.

Expenidture.

IRRIGATION AND NAVIGATION.

239. *33 & XXVI, Irrigation and Navigation.*—More Expenditure £164,000; more Revenue £44,000. Net Expenditure more £120,000. A large outlay from Local Funds is contemplated upon the Calcutta Canals and on some other works in BENGAL. Net Expenditure £249,000. Net Expenditure on both classes of Ordinary Public Works £4,667,000.

GUARANTEED RAILWAYS.

240. *34 & XXVII, Guaranteed Railways.*—Upon the face of the Estimates Revenue less £1,000; Expenditure less £93,000. Net better £92,000.

FALLING OFF.

241. But, as in the Regular Estimate, the comparison can most conveniently be made by the Table V in Appendix B. That Table shows that the Net Traffic Earnings are estimated to be the same as this year; that, partly owing to an increase of £56,000 in the charge for sterling interest, but much more owing to the further fall in the exchange, the interest is expected to cost £300,300 more than this year. Against this is to be set Surplus Profits payable to the Companies less by £167,700 and a saving in the loss on the Capital Transactions. Altogether the GUARANTEED RAILWAYS are estimated to cost £1,591,600, being £101,200 more than this year and more than in any year since 1872-73. The chief cause is, still, the fall in the exchange which has seriously increased the charge for interest guaranteed on the Capital of the Companies. The contracts with most of them being for the remittance of this interest at 1*s.* 10*d.* the rupee and with one of them (the OUDH AND ROHILKHAND COMPANY) at 2*s.* the rupee, a substantial part of the loss falls upon the State even when Surplus Revenue is earned. When no surplus is earned the whole loss is borne by the State.

PURCHASE OF THE EAST INDIAN RAILWAY.

STATE OBLIGATIONS UNDER THE CONTRACT.

242. By its contract with the East Indian Railway Company, the Government of India provided, free of charge to the Company, all the land on which the Railway is laid, and guaranteed from the Revenues of India, five per cent. interest on the capital of the Company payable in sterling in London.

STATE CLAIMS.

243. All the earnings and all the working expenses of the Company pass through the Public Treasury and Accounts; if the Net Traffic Earnings of the Company exceed the sum in rupees which, @ 1*s.* 10*d.* the rupee, suffices to provide the guaranteed sterling interest, half the excess is appropriated to the refund of the interest advanced by the Government during the many years for which the Railway did not earn a profit. The net cost to the State of all these concessions is estimated to have amounted to not less than twelve crores of rupees, at the end of 1876-77, since when it has somewhat diminished.

NET COST TO STATE.

SURRENDER CLAUSE.

244. The Company, may at any time, surrender their property to the State and claim back its whole capital cost; and, as, if not transferred earlier, the Railway would become the property of the State by lapse of time after 99 years, it is certain that the Surrender Clause would not be a dead letter.

STATE RIGHT OF PURCHASE.

245. On the other hand, the Government may purchase the Railway at two successive intervals of twenty-five years, paying, in that case, a price intended to represent the fair market value of the Railway as evidenced by the quotations of the shares of the Company. Such payment may be made either in cash or in the form of a Terminable Annuity calculated at the market rate of interest in London on Indian Government sterling obligations.

FIRST OPTION OF PURCHASE.

246. The Government must declare whether it will exercise its first option of purchase within six months after the 15th February 1879. The question whether this declaration should be made, has long been anxiously debated both by the Government in India and by the Secretary of State in Council in London. Last year, Lieutenant-General Richard Strachey, R.E., C.S.I., was deputed by the Secretary of State to assist the Government of India in coming to a final conclusion, with an intimation that General Strachey enjoyed his confidence in relation to the matter in hand.

FINANCIAL CONSIDERATIONS.

247. The Government of India considered this important measure both financially and administratively. The share capital of the Company is £26,200,000, and they have issued Debentures for £4,220,000 the interest on which is £188,000. The purchase of a property of this magnitude is a large transaction; but the Government of India had no difficulty in concluding not only that the purchase was financially expedient, but that the State would not be justified in foregoing the purchase upon any conditions which could be acceptable to the Company.

ADMINISTRATIVE CONSIDERATIONS.

248. It seemed more doubtful whether the Government of India, whose constant policy it is to reduce the mass of details which already inevitably burden it, could wisely undertake the direct management of this great Railway, and whether it would be prudent to disturb the existing management which is on the whole economical and efficient. But it was considered that these objections could be obviated by the formation of a Company to work the Railway for the State upon terms mutually advantageous.

LEASE TO WORKING COMPANY.

PROPOSALS OF GOVERNMENT OF INDIA ACCEPTED.

249. Accordingly, in a despatch No. 226, dated 17th June last, the Government of India communicated to the Secretary of State its verdict that the East Indian Railway should now be bought for the State, and, for the present, worked by a Company constituted from the existing Company. No formal official reply has yet been received to this Despatch; but it is known that the proposals of the Government of India have been substantially adopted, and that, subject to the approval of Parliament, the East Indian Railway, will, on the 31st December 1879, become the property of the State.

TERMS OF PURCHASE.

250. The price to be paid is £125 for every £100 of capital stock or £32,750,000 for the whole stock of £26,200,000. Payment of that amount is to be made by an Annuity terminating on the 14th February 1953, in the calculation of which the rate of interest used is £4-6*s.* per cent. Both the price of £125 assumed as the market-price of the shares, and the rate of £4-6*s.* assumed as the market rate of interest upon the Indian Government's London sterling obligations, are liberal, and have apparently been so accepted by the shareholders with general unanimity. But, although, by the letter of the bond, even better terms might possibly have been exacted, there is good reason for the belief that, on the whole, the intention of the original parties to the contract has been substantially fulfilled; and it is a cause of much satisfaction to the Government of India that this important transaction has been concluded without any breach of the friendly relations between the Government and the Company, or injury to the interests of the shareholders, who will receive an annuity at the rate of £5. 12*s.* 6*d.* per cent. upon their capital, equal to simple interest at the rate of £5. 7*s.* 6*d.*

CONDITIONS OF LEASE AND FINANCIAL COMPARISON WITH PRESENT SYSTEM.

251. The New Working Company is now in course of formation with a capital of £6,550,000, being one-fifth of the capital of the present Company commuted into sterling bonds at £125 per centum. The nature of the arrangement with the Company and the effect of the whole measure upon the Revenues of India is illustrated by the following Statement in which the Estimates of the coming year as now framed are compared with what they would be if the arrangement now negotiated were in force:—

	Estimates for 1879-80.	
	As now framed.	As they would be by the new arrangements.
Net Traffic Earnings.	Rs. 2,49,50,000	Rs. 2,49,50,000
	£	£
Interest on Debentures	188,000	188,000
Interest at 5 per cent. on Capital of present Company	1,310,000	...
Four-fifths of Annuity on present Company's Capital	...	1,179,000
Simple interest at 4 per cent. on Capital of New Company	...	262,000
Total Interest and Annuity ...	£ 1,498,000	£ 1,629,000

Budget Estimates, (Expenditure) 1879-80.

	Estimates for 1879-80.	
	As now framed.	As they would be by the New arrangements.
Converted into rupees at 1*s.* 7*d.*	Rs. 1,89,22,000	Rs. 2,05,77,000
Company's share of Surplus Profits ...	47,10,000	7,45,000*
Contribution to Provident Fund (one per cent. on Net Traffic Earnings)	....	2,49,000
Loss on Capital Transactions owing to operation of contract rate of Exchange	2,29,000	...
Total Charges	Rs. 2,38,61,000	Rs. 2,15,71,000
Net Traffic Earnings less Total Charges	10,89,000	33,79,000
Sinking Fund payment £65,500† @ 1*s.* 7*d.* ...	...	8,29,000
Net Public Revenue	Rs. 10,89,000	Rs. 42,08,000

Result to New Company

252. The estimated net traffic earnings being £2,495,000, the Surplus Profits of the Line in 1879-80 by the new arrangement would be £372,400, of which one-fifth or £74,500 would be the remuneration of the Working Company, making their income £336,400 in all, or 6·42 per cent. upon their original unconverted share of the capital (£5,240,000). In consideration of this concession, the shareholders of the New Company surrender all claims to any interest in excess of 5 per cent. on their original capital, or 4 per cent. on their commuted capital (£6,550,000), and to all current annuity payments. When their contract terminates, they will begin to receive only the yearly payment of £5. 12*s.* 6*d.* per cent. which will be paid all along on the remaining four-fifths of the capital, and the capital debt of the Government to them will be extinguished on the same date as its debt to the other four-fifths of the Company.

and to State.

253. The remaining four-fifths of the Surplus Profits or £297,600 will belong to the State, which will also receive £40,000 interest on the value of the stores in course of consumption. Moreover, the calculation which brings out this result, includes the yearly payment of Rs. 6,63,000 or, in the conventional notation of the Accounts, £66,300, being the amount required for the extinction of the original capital debt of £32,750,000 by the 14th February 1953. The expected Net Public Revenue from the East Indian Railway in 1879-80, if the new arrangements were already in force, would be £420,800, of which £337,900 would appear upon the Estimates, instead of £108,900 as actually estimated. Thus there is a good hope that the State will now, at length, be, to some extent, compensated for the heavy sacrifices entailed upon it during the early history of this great undertaking.

State Revenue will increase.

254. The gain to the State is likely to be still larger in the future, because four-fifths of the increasing Net Earnings which may confidently be expected from the East Indian Railway will henceforth accrue to the Public Treasury.

Principles of new arrangement.

255. The remuneration to the New Company is liberal; but, in making this important experiment, the Government deemed it essential to offer inducements sufficient to ensure the devotion to the management of the Line of at least as much energy, enterprise, and skill as have contributed to produce the success of the East Indian Railway as it is. The theory of the new plan is that a personal interest on the part of the managers of such a property is likely to yield more satisfactory results than the best conceivable official management without that stimulus; and it was necessary to take care that, in the actual arrangements made, the stimulus provided should be adequate.

* Thus calculated—

	Rs.	Rs.
Net Traffic Earnings		2,49,50,000
Interest and Annuity	2,05,77,000	
Provident Fund	2,49,000	
Interest on value of Stores in Stock	4,00,000	
		2,12,26,000
Net Divisible Surplus Profits		37,24,000
Of which the Working Company's one-fifth share is ...		7,45,000

† The actual payment is only £52,200 on four-fifths of the Capital, but, by the contract with the Working Company, their Capital is to be treated as if a yearly Sinking Fund payment of £13,050 were made on their one-fifth of the original Capital also. Credit must plainly be taken for this item in favour of the new arrangement. The true amount is much larger than is stated in the text. The shareholders themselves reckon it at £98,250 = @ 1*s.* 7*d.* to Rs. 12,43,125. The difference is owing to the rate of interest assumed: the shareholders assume 3½ per cent. but the rate allowed by the Government is 4·3 per cent.

256. The contract is to be for fifty years, terminable, however, first, after twenty years, and, thereafter, at intervals. DURATION OF CONTRACT.

257. The Government of India have only now to record their high appreciation of the success obtained by the Company now in liquidation. The construction and management of the East Indian Railway is an achievement of which Great Britain may be proud; and the honour of it belongs chiefly to the East Indian Railway Company and its many distinguished Officers. The services of those who remain will not be lost to the State. Nor can the Government of India withhold the expression of its appreciation of the broad sagacity with which the Chairman who has, for twenty-five years, so ably presided over the East Indian Railway Company, has conducted the negotiations the successful termination of which has now been recorded. SERVICES OF EXISTING E. I. R. COMPANY. AND THEIR CHAIRMAN.

258. *34 & XXVII, State Railways.*—Revenue more £280,000. Expenditure less £37,000. Net Result better £317,000. Net Revenue £245,000. Considerable improvement expected in the revenues of these Lines. *See* Appendix B, Table IX. The account of the Revenue and Expenditure of the Lines constructed by means of Productive Public Works Capital Expenditure is shown below the first total in Abstract No. II. This statement shows Revenue more £280,000. Expenditure more £130,000. Net Revenue more £150,000. Net Revenue £329,000. The Revenue shown in this Statement above the first Total is that of the *Mathura-Hatras* Line, the cost of which was not treated as *Productive Public Works Capital Expenditure*. STATE RAILWAYS.

259. *35 & XXVIII, Madras Canal Company.*—Less Revenue £13,000. The Revenue this year is due to special causes explained upon the Regular Estimate. MADRAS CANAL COMPANY.

260. *36 & XIX, Provincial and Local Surpluses and Deficits.*—Surplus less £283,000. Deficits more £154,000. Net worse £437,000. Net Deficit £191,000. This year the Provincial Governments are saving £246,000 of their income. Next year they expect to spend £191,000 more than their income. These Governments have considerable balances at their credit (See Abstract Statement No. IX), and might profitably spend some part of them; but the Government of India has been obliged, for financial reasons, to place some temporary restraint upon them in this respect. PROVINCIAL AND LOCAL SURPLUS AND DEFICITS.

261. *37 & XXX, The Army.*—Expenditure more £1,245,000. Revenue less £45,000. Net Expenditure more £1,290,000, of which £81,900 at the *Home Treasury*, and the rest in India. Net cost of the Army, £17,375,000, to be compared with previous years, as follows:— THE ARMY.

	£
1872-73	14,596,802
1873-74	14,217,390
1874-75	14,386,321
1875-76	14,262,846
1876-77	14,866,639
1877-78	15,769,780

262. The net average yearly cost of the Army, as recorded in the Accounts, in times of peace, cannot now be estimated at less than £15,200,000. The sum provided in the Estimates of 1879-80 for the Military operations beyond the Frontier is £2,000,000.

263. 39. *Productive Public Works' Capital Expenditure.*—Less £1,099,000. Much to its regret, the Government of India has been obliged to reduce to £3,500,000 the grant for these works. There can be no doubt that much more than this could be profitably spent, but the Government have not this year the means of supplying more. CAPITAL EXPENDITURE, PRODUCTIVE PUBLIC WORKS.

264. *Productive Public Works Revenues and Expenditure.*—Revenue more £287,000. Expenditure more £227,000. Net Expenditure less £60,000. Net loss on working £1,622,000. Including the Gain by Exchange (£387,000) and the Loss (£1,262,000) arising out of these transactions, we have the following results:— PRODUCTIVE WORKS.

	£
Interest and Working Expenses	9,740,000
Revenue	7,243,000
	Loss, £2,497,000

against which has to be set the land revenue due to Productive Works in MADRAS, and it has to be borne in mind that some considerable amount of interest is charged upon Capital which is still infructuous. The depression of the Guaranteed Railways (expected to yield next year £1,985,356 less than in 1877-78) produces this comparatively unfavourable result.

265. The Deficit thus shown upon the face of the Estimates, after providing £2,000,000 for the expenses of the war in Afghanistan, is £1,395,000. It must, however, as has frequently been pointed out on former occasions, be remembered in estimating the real amount of our annual revenues, that among the receipts there is shown a merely nominal credit on account of the extinct

Military Funds. This amounts in the present Estimates to £214,000 and plainly adds nothing to our actual resources. It must also not be forgotten that the Estimates under Loss by Exchange would have been increased by £189,815, if provision were now being made for the remittance of the whole net current requirements of the Home Treasury during the year. If there had been no war, the surplus shown on the Estimates would have been £605,000. Taking however, into consideration the points just noticed, which cannot easily be neglected if we desire to form a really complete and accurate judgment on the actual financial condition of the country, and making certain allowances on the other side of the account, the Governor General in Council is of opinion that looking only to the normal resources of the year, the real Estimated Surplus would be £813,000.

266. If the exchange could have been estimated for the coming year at the same rate as that taken for 1878-79, 8*s*. 4*d*., this surplus would have been larger by £1,364,000. Apart from the war, the Surplus, on the face of the Estimates, would, in that event, have amounted to £1,969,000; and, after making the corrections to which reference has just been made, £2,177,000.

267. Thus, but for the further fall in exchange, the Government of India would have been able, by suspending, during the year, the operation of the so-called Famine Insurance Surplus, to pay from the actual normal resources of the year, the whole estimated cost of the war in Afghanistan. The extreme gravity of this question of the exchange can hardly be stated too strongly.

WAYS AND MEANS.

268. *Ways and Means.*—Excluding the book-credits from the Military Funds, the gross Deficit of Public Revenue is £5,109,000. In accordance with the change of policy described in paragraph 28, provision is made for the loan of only £200,000 (net) to Native States and Corporations, &c.; £287,500 net is expected to reach the Treasury on the Miscellaneous Debt Account, the main items of Deposits and Remittances being, as usual, estimated to be in equilibrium. Thus, provision must be made for a net sum of £5,026,500; but as £1,673,500 is to be repaid to the holders of the Five-and-a-Half per Cent. Loan and others, the gross deficiency is £6,695,000, of which, upon the estimates, £700,000 will be provided from the Public Balances. A Notification is published to-day inviting a Loan in India of Five Crores of the remainder. As £1,550,000 of this is needed to discharge on the 1st May next, the untransferred portion of the Five-and-a-Half per Cent. Loan, the net amount thus called for is only £3,450,000.

BRIEF REVIEW OF FINANCES OF FOUR YEARS, 1876-80.

269. In making this announcement, the Governor General in Council thinks it desirable to present the following brief statement of the Finances of the four years, 1876-80. Excluding the Fund credits and including provision for the remittance of the whole current requirements of the Home Treasury, the deficit of the four years amounts to £24,863,000. Extraordinary Public Expenditure has been or is being incurred during this period as follows:—

	£
Famine, including loss of Revenue	9,400,000
War	2,670,000
Productive Public Works Capital Expenditure	16,699,000
TOTAL ...	£28,769,000

NET RESULT.

270. Thus, if these three great disturbing causes were eliminated, there would have been a Surplus during the four years £3,906,000. In other words, the current revenue has contributed £3,906,000 towards these extraordinary objects, besides bearing all current burdens. The net addition to the Registered Debt during this period is £20,920,061, but of this sum, £2,795,731 was lent at interest to Native States, Corporations, &c., and £1,554,629, Railway Capital, was repaid. The net amount borrowed during the four years is only £16,570,000.

Budget Estimates, (Ways and Means) 1879-80.

271. The difference between the deficit of the four years (£24,863,000) and the net amount borrowed (£16,570,000) is £8,293,000, which is thus supplied— WAYS AND MEANS NOW SUPPLIED.

	£
The Public Balances reduced by	4,372,000
The Secretary of State's bills outstanding increased by ...	*1,740,000
Deposits and Remittances	2,181,000
	£8,293,000

272. The Government of India has repeatedly declared that an annual surplus of £2,000,000 is necessary, in ordinary times, to provide the means of protecting, so far as may be possible, the country against famine, and leave a margin such as every solvent State ought to maintain to meet unforeseen contingencies. It has been necessary, as has been shown, to abandon all hope of obtaining such a surplus in the coming year. STANDARD SURPLUS £2,000,000 NOT OBTAINED THIS YEAR.

273. The ultimate burden caused by the war will not, it may be reasonably anticipated, prove serious, and the assistance which will, it is hoped, be given from the British Treasury removes all present anxiety on this head. The deficit caused by the war, and shown in the Estimates of the coming year, is therefore rather apparent than real. FINANCE OF WAR.

274. The reduction in the revenues caused by the depression of trade and the diminished receipts from the Guaranteed Railways will, it cannot be doubted, be temporary only; and the Guaranteed and State Railways are certain to prove growing sources of revenue. DEPRESSION TEMPORARY.

275. The loss caused by the further and great fall which has taken place in the value of silver in relation to gold is a far more real and serious cause of financial embarrassment. EXCHANGE.

276. The Loss by Exchange on the estimated amount of the Home remittances in the coming year is £3,947,368; it would have been £4,142,000 if provision were made for remittances to cover the whole of the current Home Charges. The latter sum is more by £3,324,000 than would have been required for the remittance of the same amount in 1872-73, the last year before the long standing equilibrium between gold and silver was violently disturbed. So far as these remittances are required to meet fixed payments, such as Interest, Pensions and the like,—and such fixed payments constitute the bulk of the Home charges,—it may be said that this great sum of £3,324,000 represents the yearly taxation now required in addition to what would have been necessary if the old rate of exchange had been maintained. The rate of exchange fixed by the Secretary of State with the concurrence of the Lords of the Treasury for the adjustment of public financial transactions between Great Britain and India, during 1879-80 is Re. 1 = 1*s.* 7*d.* LOSS SINCE 1871-72. ADJUSTING RATE.

277. In the Financial Statement published at the beginning of the present year, it was shown that the Government believed that a *bonâ fide* surplus of nearly £2,000,000 of income over expenditure had been secured; and of this sum, £1,500,000 was to be annually set aside as a special provision against famine. This apparently very satisfactory result was brought about partly by administrative improvements, but mainly by the imposition of new taxation, estimated to yield, eventually, about £1,100,000 a year (see para. 160). The Government then hoped that it saw its way to giving to the country the most complete protection which could be devised against the terrible calamities of famine to which it is periodically exposed. It was also sanguine that many reforms were within its reach which would be in the highest degree beneficial. EXPECTATION OF LAST YEAR,

278. Although the condition of the finances continues in other respects to be favorable, the fresh fall in the value of silver in relation to gold has, as has been shown, virtually swept away the financial improvement arrived at with so much difficulty. It may be considered that the whole of the new taxation has been swallowed up in the additional charges on account of Loss by FRUSTRATED BY FALL IN EXCHANGE.

* On the 1st April 1876, bills for only £12,000 were outstanding unpaid; the Secretary of State had suspended his drawings. The usual amount is about 1¾ millions.

Exchange. The net amount yielded by this taxation in the present year was, as has been stated in para. 160, about £971,400, and it is estimated at £1,077,400 for 1879-80. To remit the whole of the amount required to meet the Home Charges in the coming year, it has just been shown that the sum of £1,364,362 would be required in excess of the estimate of last year. The insurance provided against future famine has virtually ceased to exist; and the difficulties in the way of fiscal and commercial and administrative reform have been greatly aggravated. Nor can it be any way assumed that the evil will not continue and go on increasing.

FINANCIAL POLICY DISCONCERTED.

279. Under such circumstances it is extremely difficult to follow any settled financial policy; for the Government cannot even approximately tell what income will be required to meet the necessary expenditure of the State.

PROBLEM OCCUPYING ATTENTION OF GOVERNMENT.

280. It is hardly necessary to add that this most grave question has long been a cause of anxious deliberation to the Government of India. The Governor General in Council has submitted his views to the Secretary of State, and they are now under the consideration of Her Majesty's Government. It would plainly be undesirable to say more on the subject, until Her Majesty's Government has had time to mature its decision in regard to the measures which ought to be taken.

STANDARD SURPLUS CANNOT BE ABANDONED.

281. Although, for the present at least, the Surplus which the Government hoped that it had secured, has almost disappeared, the Governor General in Council will in no degree abandon the imperative duty of making, to the utmost of his ability, provision for protecting the country against famine. He still believes that a surplus of £1,500,000 a year, in ordinary times, is necessary to cover this liability alone.

PROVISION MADE FOR NEXT YEAR.

282. So far as the coming year is concerned, the help which it is hoped will be afforded by the British Treasury for meeting the expenses of the war, relieves the Government from financial anxiety on this account. For the present the Governor General in Council thinks it wise to abstain from imposing any fresh burdens on the country, and to accept the temporary loss of the surplus by which it was hoped that an insurance against famine had been provided.

NO FAMINE FUND WAS CONSTITUTED.

283. The propriety of the course followed by the Government last year in refusing to constitute any separate Fund in connection with the famine arrangements has thus, it may be added, been justified by the event. Foreseeing the possibility of such a contingency as that which has actually occurred, Sir John Strachey spoke in the Legislative Council on the 9th February 1878 as follows. Any other decision might, he said:—

"lead to results probably not contemplated by those who have suggested the establishment of a separate Fund; I mean that this might involve the necessity for imposing fresh taxation. Suppose, for instance, that the produce of the new taxes were, by law, strictly set apart from the general revenues, and paid into a separate Fund only to be applied to specified purposes: if then, any sudden change of circumstances arose, calling for seriously increased expenditure, or causing a considerable falling off in the revenue, we should have to choose between the imposition of fresh taxes and the abrogation of the law constituting the Fund; for I set aside the idea of meeting ordinary charges by borrowing, as a course financially inadmissible. This dilemma might arise, though the pressure was likely to be only temporary; nor can any one say that such a contingency would be at all improbable, or that it might not occur at any moment. With all my desire to see the pledges maintained that we have given, as to the application of a sum not less than £1,500,000 as an insurance against famine, I think it would be irrational, under many circumstances that I can conceive, to object to the temporary diversion of any necessary part of the revenue from this purpose, with the view of obtaining relief which might be no less urgently required than that which experience has taught us to be requisite in meeting famine. * * * Without thinking of a future far removed from us, events might, of course, happen which would make it impossible even for us who have designed these measures to maintain our present resolution."

By order of His Excellency the Viceroy and Governor General in Council,

R. B. CHAPMAN,

Secretary to the Government of India.

STATEMENTS.

I.

REVENUE AND EXPENDITURE OF THE GOVERNMENT

Estimates

REVENUE.	Accounts, 1877-78.	Budget Estimates, 1878-79.	Regular Estimates, 1878-79.	Increase.	Decrease.	Budget Estimates, 1879-80.	Budget Estimates, 1879-80, compared with Regular Estimates, 1878-79.	
							Increase.	Decrease.
CIVIL.	£	£	£	£	£	£	£	£
I.—Land Revenue ...	20,026,036	22,071,000	22,241,000	170,000	...	21,945,000	...	296,000
II.—Tributes ...	675,120	705,000	709,000	4,000	...	703,000	...	6,000
III.—Forest	664,102	682,000	593,000	...	89,000	672,000	79,000	...
IV.—Excise ...	2,457,075	2,750,000	2,592,000	...	158,000	2,742,000	150,000	...
V.—Assessed Taxes ...	86,110	765,000	869,000	104,000	...	896,000	27,000	...
VI.—Provincial Rates ...	238,504	3,316,000	2,680,000	...	636,000	2,740,000	60,000	...
VII.—Customs	2,622,296	2,480,000	2,440,000	...	40,000	2,248,000	...	192,000
VIII.—Salt	6,460,082	6,813,000	6,900,000	87,000	...	7,000,000	100,000	...
IX.—Opium	9,182,722	8,250,000	9,347,000	1,097,000	....	9,000,000	...	347,000
X.—Stamps	2,993,483	2,977,000	3,071,000	94,000	...	3,087,000	16,000	...
XI.—Mint	443,859	180,000	172,000	...	8,000	180,000	8,000	...
XII.—Post Office ...	847,694	872,000	910,000	38,000	...	983,000	73,000	...
XIII.—Telegraph ...	358,430	334,000	376,000	42,000	...	380,000	4,000	...
XIV.—Minor Departments ...	74,616	26,000	66,000	40,000	...	58,000	...	8,000
XV.—Law and Justice ...	813,221	823,000	874,000	51,000	...	888,000	14,000	...
XVI.—Police ...	83,717	69,000	213,000	144,000	...	233,000	20,000	...
XVII.—Marine	231,538	201,000	233,000	32,000	...	206,000	...	27,000
XVIII.—Education	108,994	111,000	145,000	34,000	...	139,000	...	6,000
XIX.—Medical	36,229	33,000	53,000	20,000	...	39,000	...	14,000
XX.—Stationery and Printing	33,289	20,000	48,000	28,000	...	46,000	...	2,000
XXI.—Interest	528,288	562,000	612,000	50,000	...	634,000	22,000	...
XXII.—Superannuations ...	596,995	598,000	678,000	80,000	...	526,000	...	152,000
XXIII.—Miscellaneous ...	269,783	183,000	361,000	178,000	...	332,000	...	29,000
XXIV.—Public Works, Ordy.	357,704	196,000	516,000	328,000	...	477,000	...	39,000
XXV.—Irrigatn. & Navigatn	516,816	642,000	742,000	100,000	...	786,000	44,000	...
XXVI.—Guaranteed Railways	6,129,765	4,943,000	4,862,000	...	81,000	4,861,000	...	1,000
XXVII.—State Railways ...	548,528	967,000	960,000	...	7,000	1,240,000	280,000	...
XXVIII.—Madras Canal Company	—7,839	...	15,000	15,000	...	2,000	...	13,000
XXIX.—Provl. & Local Deficits	*160,925	289,000	54,000	...	235,000	208,000	154,000	...
XXX.—Army	869,981	895,000	925,000	30,000	...	880,000	...	45,000
XXXI.—Gain by Exchange ...	561,238	497,000	423,000	...	74,000	431,000	8,000	...
GRAND TOTAL ...	58,969,301	63,250,000	64,680,000	1,430,000	...	64,562,000	...	118,000
Deficit ...	3,543,087	...	...	...	...	1,395,000	2,695,000	...

* Including £80,643 Provincial contributions.

Fort William;
Financial Department,
The 13th March 1879.

E. W. KELLNER,
Offg. Deputy Comptroller General.

OF INDIA IN INDIA AND IN ENGLAND.

1879-80.

EXPENDITURE.	Accounts, 1877-78.	Budget Estimates, 1878-79.	Regular Estimates, 1878-79.	Increase.	Decrease.	Budget Estimates, 1879-80.	Budget Estimates, 1879-80, compared with Regular Estimates, 1878-79.	
							Increase.	Decrease.
CIVIL.	£	£	£	£	£	£	£	£
1.—Interest on Debt ...	5,740,390	59,09,000	6,007,000	98,000	...	6,353,000	346,000	...
2.—Interest, other Accounts	355,867	372,000	376,000	4,000	...	386,000	10,000	...
3.—Refunds and Drawbacks ...	304,292	324,000	357,000	33,000	...	356,000	...	1,000
4.—Land Revenue ...	2,531,325	2,961,000	2,955,000	...	6,000	3,038,000	83,000	...
5.—Forest ...	421,667	479,000	473,000	...	6,000	510,000	37,000	...
6.—Excise ...	99,039	96,000	91,000	...	5,000	118,000	27,000	...
7.—Assessed Taxes ...	4,631	54,000	34,000	...	20,000	29,000	...	5,000
8.—Provincial Rates ...	1,027	43,000	43,000	...	...	53,000	10,000	...
9.—Customs ...	202,815	196,000	202,000	6,000	...	203,000	1,000	...
10.—Salt ...	539,858	520,000	419,000	...	101,000	383,000	...	36,000
11.—Opium ...	2,661,266	2,250,000	1,763,000	...	487,000	2,500,000	737,000	...
12.—Stamps ...	102,673	124,000	116,000	...	8,000	111,000	...	5,000
13.—Mint ...	132,083	110,000	105,000	...	5,000	113,000	8,000	...
14.—Post Office ...	905,821	942,000	1,009,000	67,000	...	1,083,000	74,000	...
15.—Telegraph ...	461,146	514,000	471,000	...	43,000	531,000	60,000	...
16.—Administration ...	1,473,764	1,463,000	1,484,000	21,000	...	1,498,000	14,000	...
17.—Minor Departments ...	331,604	550,000	363,000	...	187,000	375,000	12,000	...
18.—Law and Justice ...	3,319,673	3,299,000	3,400,000	101,000	...	3,381,000	...	19,000
19.—Police ...	2,158,237	2,368,000	2,425,000	57,000	...	2,472,000	47,000	...
20.—Marine ...	542,200	574,000	597,000	23,000	...	546,000	...	51,000
21.—Education ...	738,020	1,015,000	986,000	...	29,000	1,025,000	39,000	...
22.—Ecclesiastical ...	158,039	164,000	158,000	...	6,000	161,000	3,000	...
23.—Medical ...	611,819	647,000	663,000	16,000	...	679,000	16,000	...
24.—Stationery and Printing	425,645	430,000	509,000	79,000	...	536,000	27,000	...
25.—Political ...	468,975	432,000	500,000	68,000	...	426,000	...	74,000
26.—Allowces & Assignments...	1,646,093	1,655,000	1,833,000	178,000	...	1,909,000	76,000	...
27.—Civil Furlough Allces. ...	237,362	233,000	231,000	...	2,000	232,000	1,000	...
28.—Superannuations ...	1,858,686	1,842,000	1,981,000	139,000	...	1,923,000	...	58,000
29.—Miscellaneous	219,534	276,000	301,000	25,000	...	277,000	...	24,000
30.—Famine Relief ...	5,345,775	500,000	555,000	55,000	...	10,000	...	545,000
31.—Public Works, Ordinary...	3,126,178	4,760,000	4,676,000	...	84,000	4,895,000	219,000	...
32.—Irrigation & Navigation...	920,943	976,000	871,000	...	105,000	1,035,000	164,000	...
33.—Guaranteed Railways ...	5,454,680	5,441,000	5,634,000	193,000	...	5,541,000	...	93,000
34.—State Railways ...	420,754	704,000	1,032,000	328,000	...	995,000	...	37,000
35.—Madras Canal Company ...	50,335	50,000	50,000	...	...	50,000	...	...
36.—Provl. & Local Surpluses	247,034	21,000	300,000	279,000	...	17,000	...	283,000
37.—Army ...	16,639,761	15,800,000	17,010,000	1,210,000	...	18,255,000	1,245,000	...
38.—Loss by Exchange ...	1,653,377	3,000,000	3,400,000	400,000	...	3,952,000	552,000	...
TOTAL ORDINARY ...	62,512,388	61,094,000	63,380,000	2,286,000	...	65,957,000	2,577,000	...
Surplus	...	2,156,000	1,300,000	...	856,000	...	...	...
39.—Productive Public Work	4,791,052	4,555,000	4,599,000	44,000	...	3,500,000	...	1,099,000

W. WATERFIELD,
Offg. Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

II.

REVENUE AND EXPENDITURE OF THE GOVERNMENT

(Distinguishing Revenue and Charges

Estimates,

REVENUE.	Accounts, 1877-78.	Budget Estimates, 1878-79.	Regular Estimates, 1878-79.	Increase.	Decrease.	Budget Estimates, 1879-80.	Budget Estimates, 1879-80, compared with Regular Estimates, 1878-79.	
							Increase.	Decrease.
CIVIL.	£	£	£	£	£	£	£	£
I.—Land Revenue ...	19,869,667	21,904,000	22,077,000	173,000	...	21,784,000	...	293,000
II.—Tributes	675,120	705,000	709,000	4,000	...	703,000	...	6,000
III.—Forest	664,102	682,000	593,000	...	89,000	672,000	79,000	...
IV.—Excise	2,457,075	2,750,000	2,592,000	...	158,000	2,742,000	150,000	...
V.—Assessed Taxes ...	86,110	765,000	869,000	104,000	—	896,000	27,000	...
VI.—Provincial Rates ...	238,504	3,316,000	2,680,000	—	636,000	2,740,000	60,000	...
VII.—Customs	2,622,296	2,480,000	2,440,000	—	40,000	2,248,000	...	192,000
VIII.—Salt	6,460,082	6,813,000	6,900,000	87,000	—	7,000,000	100,000	...
IX.—Opium	9,182,722	8,250,000	9,347,000	1,097,000	—	9,000,000	—	347 000
X.—Stamps	2,993,483	2,977,000	3,071,000	94,000	—	3,087,000	16,000	—
XI.—Mint	443,859	180,000	172,000	—	8,000	180,000	8,000	—
XII.—Post Office ...	847,694	872,000	910,000	38,000	—	983,000	73,000	—
XIII.—Telegraph ...	358,430	334,000	376,000	42,000	—	380,000	4,000	—
XIV.—Minor Departments...	74,616	26,000	66,000	40,000	—	58,000	...	8,000
XV.—Law and Justice ...	813,221	823,000	874,000	51,000	—	888,000	14,000	—
XVI.—Police	83,717	69,000	213,000	144,000	—	233,000	20,000	—
XVII.—Marine	231,538	201,000	233,000	32,000	—	206,000	—	27,000
XVIII.—Education ...	108,994	111,000	145,000	34,000	—	139,000	—	6,000
XIX.—Medical ...	36,229	33,000	53,000	20,000	—	39,000	—	14,000
XX.—Stationery & Printing	33,289	20,000	48,000	28,000	—	46,000	—	2,000
XXI.—Interest	528,288	562,000	612,000	50,000	—	634,000	22,000	—
XXII.—Superannuations ...	596,995	598,000	678,000	80,000	—	526,000	—	152,000
XXIII.—Miscellaneous ...	269,783	183,000	361,000	178,000	—	332,000	—	29,000
XXIV.—Public Works, Ordy.	357,704	196,000	516,000	320,000	—	477,000	—	39,000
XXV.—Irrigation & Navign.	14,599	93,000	164,000	71,000	...	184,000	20,000	...
XXVII.—State Railway ...	9,364	10,000	10,000	...	...	10,000	...	...
XXIX.—Provl. & Local Deficits	*160,925	289,000	54,000	...	235,000	208,000	154,000	...
XXX.—Army	869,981	895,000	925,000	30,000	—	880,000	—	45,000
XXXI.—Gain by Exchange ...	561,238	497,000	423,000	—	74,000	431,000	8,000	—
TOTAL ...	51,649,625	56,634,000	58,111,000	1,477,000	...	57,706,000	...	405,000
Revenue from Productive Public Works.								
I.—Land Revenue ...	156,369	167,000	164,000	...	3,000	161,000	...	3,000
XXV.—Irrign. and Navigation	502,217	549,000	578,000	29,000	...	602,000	24,000	...
XXVI.—Guaranteed Railways	6,129,765	4,943,000	4,862,000	...	81,000	4,861,000	...	1,000
XXVII.—State Railways ...	539,164	957,000	950,000	...	7,000	1,230,000	280,000	...
XXVIII.—Madras Canal Company	—7,839	...	15,000	15,000	...	2,000	...	13,000
Total ...	7,319,676	6,616,000	6,569,000	...	47,000	6,856,000	287,000	...
GRAND TOTAL REVENUE ...	58,969,301	63,250,000	64,680,000	1,430,000	...	64,562,000	...	118,000
Deficit	3,543,087	...	...	...	...	1,395,000	2,695,000	...

Fort William;
Financial Department,
The 13th March 1879.

E. W. KELLNER,
Offg. Deputy Comptroller General.

OF INDIA IN INDIA AND IN ENGLAND.

of Productive Public Works.)

1879-80.

EXPENDITURE.	Accounts, 1877-78.	Budget Estimates, 1878-79.	Regular Estimates, 1878-79.	Increase.	Decrease.	Budget Estimates, 1879-80.	Budget Estimates, 1879-80, compared with Regular Estimates, 1878-79. Increase.	Decrease.
CIVIL.	£	£	£	£	£	£	£	£
1.—Interest on Debt ...	4,672,450	4,650,700	4,594,000	...	56,700	4,758,000	164,000	...
2.—Interest, other Accounts...	355,867	372,000	376,000	4,000	...	386,000	10,000	...
3.—Refunds and Drawbacks...	304,292	324,000	357,000	33,000	...	356,000	...	1,000
4.—Land Revenue ...	2,531,325	2,961,000	2,955,000	...	6,000	3,038,000	83,000	...
5.—Forest	421,667	479,000	473,000	...	6,000	510,000	37,000	...
6.—Excise	99,039	96,000	91,000	...	5,000	118,000	27,000	...
7.—Assessed Taxes ...	4,631	54,000	34,000	...	20,000	29,000	...	5,000
8.—Provincial Rates ...	1,027	43,000	43,000	...	...	53,000	10,000	...
9.—Customs	202,815	196,000	202,000	6,000	...	203,000	1,000	...
10.—Salt	539,858	520,000	419,000	...	101,000	383,000	...	36,000
11.—Opium	2,661,266	2,250,000	1,763,000	...	487,000	2,500,000	737,000	...
12.—Stamps	102,673	124,000	116,000	...	8,000	111,000	...	5,000
13.—Mint	132,083	110,000	105,000	...	5,000	113,000	8,000	...
14.—Post Office	905,821	942,000	1,009,000	67,000	...	1,083,000	74,000	...
15.—Telegraph	461,146	514,000	471,000	...	43,000	531,000	60,000	...
16.—Administration ...	1,473,764	1,463,000	1,484,000	21,000	...	1,498,000	14,000	...
17.—Minor Departments ...	331,604	550,000	363,000	...	187,000	375,000	12,000	...
18.—Law and Justice ...	3,319,673	3,299,000	3,400,000	101,000	...	3,381,000	...	19,000
19.—Police	2,158,237	2,368,000	2,425,000	57,000	...	2,472,000	47,000	...
20.—Marine	542,200	574,000	597,000	23,000	...	546,000	...	51,000
21.—Education	738,020	1,015,000	986,000	...	29,000	1,025,000	39,000	...
22.—Ecclesiastical ...	158,039	164,000	158,000	...	6,000	161,000	3,000	...
23.—Medical	611,819	647,000	663,000	16,000	...	679,000	16,000	...
24.—Stationery & Printing ...	425,645	430,000	509,000	79,000	...	536,000	27,000	...
25.—Political	468,975	432,000	500,000	68,000	...	426,000	...	74,000
26.—Allowces. & Assignments	1,646,093	1,655,000	1,833,000	178,000	...	1,909,000	76,000	...
27.—Civil Furlough Allowces.	237,362	233,000	231,000	...	2,000	232,000	1,000	...
28.—Superannuations ...	1,858,686	1,842,000	1,981,000	139,000	...	1,923,000	...	58,000
29.—Miscellaneous ...	219,534	276,000	301,000	25,000	...	277,000	...	24,000
30.—Famine Relief ...	5,345,775	500,000	555,000	55,000	...	10,000	...	545,000
31.—Public Works Ordinary...	3,126,178	5,174,000	4,676,000	...	498,000	4,895,000	219,000	...
32.—Irrigation & Navigation...	550,030	192,000	488,000	296,000	...	644,000	156,000	...
34.—State Railways ...	5,418	5,000	261,000	256,000	...	94,000	...	167,000
36.—Provl. & Local Surpluses	247,034	21,000	300,000	279,000	...	17,000	...	283,000
37.—Army	16,639,761	15,800,000	17,010,000	1,210,000	...	18,255,000	1,245,000	...
38.—Loss by Exchange ...	1,653,377	3,000,000	3,400,000	400,000	...	3,952,000	552,000	...
EXPENDITURE ORDINARY ...	55,153,184	53,275,700	55,129,000	1,853,300	...	57,479,000	2,350,000	...
Expenditure on Productive Public Works (Working Expenses and Interest).								
1.—Interest on Debt ...	1,067,940	1,258,300	1,413,000	154,700	...	1,595,000	182,000	...
32.—Irrigation and Navigation	370,913	370,000	383,000	13,000	...	391,000	8,000	...
33.—Guaranteed Railways ...	5,454,680	5,441,000	5,634,000	193,000	...	5,541,000	...	93,000
34.—State Railways ...	415,336	699,000	771,000	72,000	...	901,000	130,000	...
35.—Madras Canal Company ...	50,335	50,000	50,000	...	...	50,000	...	...
Total ...	7,359,204	7,818,300	8,251,000	432,700	...	8,478,000	227,000	...
GRAND TOTAL ...	62,512,388	61,094,000	63,380,000	2,286,000	...	65,957,000	2,577,000	...
Surplus	...	2,156,000	1,300,000	...	856,000	...	...	...
39.—Productive Public Works	4,791,052	4,555,000	4,599,000	44,000	...	3,500,000	...	1,099,000

W. WATERFIELD,
Offg. Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

III.

REVENUE AND EXPENDITURE OF THE GOVERNMENT OF INDIA IN INDIA AND

REVENUE.	Regular Estimates, 1878-79.				Budget Estimates, 1879-80.			
	Imperial.	Provincial.	Local.	Total.	Imperial.	Provincial.	Local.	Total.
	£	£	£	£	£	£	£	£
Opening Balance	...	687,400	857,700	...	...	902,600	843,700	...
I.—Land Revenue	21,215,200	1,015,400	10,400	22,241,000	20,915,800	1,017,700	11,500	21,945,000
II. Tributes	709,000	...	...	709,000	703,000	...	...	703,000
III.—Forest	551,600	18,200	23,200	593,000	629,600	18,100	24,300	672,000
IV.—Excise	589,900	2,001,000	1,100	2,592,000	659,900	2,081,000	1,100	2,742,000
V.—Assessed Taxes	619,500	249,500	...	869,000	711,200	184,800	...	896,000
VI.—Provincial Rates	61,700	347,600	2,270,700	2,680,000	144,300	344,400	2,251,300	2,740,000
VII.—Customs	2,229,200	210,800	...	2,440,000	2,050,200	197,800	...	2,248,000
VIII.—Salt	6,850,000	50,000	...	6,900,000	6,951,000	49,000	...	7,000,000
IX.—Opium	9,347,000	...	...	9,347,000	9,000,000	...	...	9,000,000
X.—Stamps	565,200	2,505,800	...	3,071,000	556,200	2,530,800	...	3,087,000
XI.—Mint	172,000	...	...	172,000	180,000	...	...	180,000
XII.—Post Office	909,600	...	400	910,000	982,600	...	400	983,000
XIII.—Telegraph	376,000	...	...	376,000	380,000	...	...	380,000
XIV.—Minor Departments	30,700	34,900	400	66,000	26,900	31,000	100	58,000
XV.—Law and Justice	83,100	783,300	7,600	874,000	77,300	803,500	7,200	888,000
XVI.—Police	600	188,600	23,800	213,000	...	208,600	24,400	233,000
XVII.—Marine	98,500	134,500	...	233,000	75,700	130,300	...	206,000
XVIII.—Education	700	118,200	26,100	145,000	1,100	112,900	25,000	139,000
XIX.—Medical	1,600	48,900	2,500	53,000	1,500	35,300	2,200	39,000
XX.—Stationery and Printing ...	7,800	40,200	...	48,000	7,900	38,100	...	46,000
XXI.—Interest	598,800	4,800	8,400	612,000	620,900	5,900	7,200	634,000
XXII.—Pensions	658,000	15,300	4,700	678,000	509,100	12,100	4,800	526,000
XXIII.—Miscellaneous	76,800	191,300	92,900	361,000	73,900	179,600	78,500	332,000
XXIV.—P. W. Ordinary	88,100	321,900	106,000	516,000	67,800	311,600	97,600	477,000
XXV.—Irrigation	264,800	469,700	7,500	742,000	270,100	503,900	12,000	786,000
XXVI.—Guaranteed Railways ...	4,862,000	...	...	4,862,000	4,861,000	...	...	4,861,000
XXVII.—State Railways	681,000	279,000	...	960,000	888,400	351,600	...	1,240,000
XXVIII.—Madras Canal	15,000	...	...	15,000	2,000	...	...	2,000
XXIX.—Provl. and Local Deficits ...	54,000	...	...	54,000	208,000	...	...	208,000
XXX.—Army	925,000	...	...	925,000	880,000	...	...	880,000
XXXI.—Gain by Exchange	422,300	700	...	423,000	430,400	600	...	431,000
	53,064,700	9,029,600	2,585,700	64,680,000	52,865,800	9,146,600	2,547,600	64,562,000
Allotments	...	*5,019,600*	...	...	...	*4,498,100*	...	...
Contributions	...	*2,900*	*45,400*	...	...	...	*51,600*	...
Debt	...	...	*16,200*	...	...	...	*5,900*	...
TOTAL ...	...	14,052,100	2,647,300	...	...	13,646,700	2,605,100	...
GRAND TOTAL ...	...	14,739,500	3,505,000	...	...	14,549,300	3,448,800	...
Provl. and Local Deficit *	...	...	...	...	...	65,600	125,500	...

Fort William;
Financial Department,
The 13th March 1879.

E. W. KELLNER,
Offg. Deputy Comptroller General.

IN ENGLAND IN THE THREE DIVISIONS, IMPERIAL, PROVINCIAL AND LOCAL.

EXPENDITURE.	Regular Estimates, 1878-79.				Budget Estimates, 1879-80.			
	Imperial.	Provincial.	Local.	Total.	Imperial.	Provincial.	Local.	Total.
	£	£	£	£	£	£	£	£
1.—Interest	5,365,600	641,400	...	6,007,000	5,654,100	698,900	...	6,353,000
2.—Interest	375,600	400	...	376,000	385,500	500	...	386,000
3.—Refunds and Drawbacks ...	179,300	152,400	25,300	357,000	197,200	134,000	24,800	356,000
4.—Land Revenue	894,900	1,605,000	455,100	2,955,000	923,500	1,632,100	482,400	3,038,000
5.—Forest	439,100	13,300	20,600	473,000	476,500	14,000	19,500	510,000
6.—Excise	23,000	67,200	800	91,000	22,600	94,600	800	118,000
7.—Assessed Taxes	3,600	30,400	...	34,000	5,000	24,000	...	29,000
8.—Provincial Rates	...	6,000	37,000	43,000	...	10,200	42,800	53,000
9.—Customs	25,100	176,900	...	202,000	24,400	178,600	...	203,000
10.—Salt	330,300	88,700	...	419,000	285,300	97,700	....	383,000
11.—Opium	1,763,000	...	...	1,763,000	2,500,000	...	...	2,500,000
12.—Stamps	57,800	58,200	...	116,000	51,300	59,700	...	111,000
13.—Mint	105,000	...	...	105,000	113,000	...	...	113,000
14.—Post Office	922,900	29,300	56,800	1,009,000	993,900	27,800	61,300	1,083,000
15.—Telegraph	471,000	...	...	471,000	531,000	...	...	531,000
16.—Administration	898,300	573,800	11,900	1,484,000	911,000	575,100	11,900	1,498,000
17.—Minor Departments	245,900	91,500	25,600	363,000	257,500	88,800	28,700	375,000
18.—Law and Justice	566,600	2,833,300	100	3,400,000	560,900	2,820,000	100	3,381,000
19.—Police	20,300	2,166,600	238,100	2,425,000	20,500	2,209,800	241,700	2,472,000
20.—Marine	453,700	143,300	...	597,000	395,700	150,300	...	546,000
21.—Education	11,100	708,100	266,800	986,000	10,100	728,800	286,100	1,025,000
22.—Ecclesiastical	121,700	36,300	...	158,000	124,400	36,600	...	161,000
23.—Medical	156,600	422,600	83,800	663,000	162,300	421,600	95,100	679,000
24.—Stationery and Printing ...	224,500	283,900	600	509,000	250,000	284,800	1,200	536,000
25.—Political	499,300	600	100	500,000	425,500	400	100	426,000
26.—Allowances	1,180,400	652,600	...	1,833,000	1,252,200	656,800	...	1,909,000
27.—C. F. & A. Allowances	230,500	500	...	231,000	231,700	300	...	232,000
28.—Superannuation	1,841,200	139,400	400	1,981,000	1,781,800	140,800	400	1,923,000
29.—Miscellaneous	127,200	103,500	70,300	301,000	92,400	116,500	68,100	277,000
30.—Famine Relief	67,400	487,600	...	555,000	...	10,000	...	10,000
31.—P. W. Ordinary	1,723,400	1,652,100	1,300,500	4,676,000	1,845,900	1,693,100	1,356,000	4,895,000
32.—Irrigation	594,400	272,700	3,900	871,000	594,000	437,300	3,700	1,035,000
33.—Guaranteed Railways	5,634,000	...	...	5,634,000	5,541,000	...	...	5,541,000
34.—State Railways	718,100	313,900	...	1,032,000	741,400	253,600	...	995,000
35.—Madras Canal	50,000	...	...	50,000	50,000	...	...	50,000
36.—P. & L. Surpluses	300,000	...	...	300,000	17,000	...	...	17,000
37.—Army	17,010,000	...	...	17,010,000	18,255,000	...	...	18,255,000
38.—Loss by Exchange	3,400,000	...	...	3,400,000	3,952,000	...	...	3,952,000
	47,030,800	13,751,500	2,597,700	63,380,000	49,635,600	13,596,700	2,724,700	65,957,000
Contributions	...	*45,400*	*2,900*	...	...	*51,600*	...	...
Debt	...	...	*60,700*	...	...	...	*7,200*	...
P. P. Works—Capital Exptre. Provl. ...	...	*40,000*	...	...	...	*64,000*	...	...
TOTAL ...	...	13,836,900	2,661,300	...	...	13,712,300	2,731,900	...
Closing Balance	...	902,000	843,700	...	...	837,000	716,900	...
GRAND TOTAL ...	....	14,739,500	3,505,000	...	...	14,549,300	3,448,800	...
Provincial and Local Surplus ...	...	215,200	30,500	...	...	...	...	...

W. WATERFIELD,
Offg. Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

IV.

RECEIPTS AND DISBURSEMENTS AT THE TREASURIES OF

RECEIPTS.	Accounts, 1877-78.	Budget Estimates, 1878-79.	Regular Estimates, 1878-79.	Increase.	Decrease.	Budget Estimates, 1879-80.	Budget Estimates, 1879-80, compared with Regular Estimates, 1878-79.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
I.—Balance ...	15,464,665	16,000,000	15,574,959	...	425,041	14,200,000	...	1,374,959
II.—Public revenue ...	58,969,301	63,250,000	64,680,000	1,430,000	...	64,562,000	...	118,000
III.—Local revenue ...	3,811,061	600,000	455,000	...	145,000	450,000	...	5,000
IV.—Service funds, civil ...	584,323	600,000	590,000	...	10,000	603,000	13,000	...
V.—Service funds, military	...	...	...	...	...	...	...	...
VI.—Loans to native states, corporations and individuals repaid ...	422,493	200,000	200,000	...	...	216,000	16,000	...
VII.—Savings banks' deposits	725,688	700,000	720,000	20,000	...	730,000	10,000	...
VIII.—Other deposits received & advances recovered	26,678,791	14,000,000	12,687,000	...	1,313,000	12,000,000	...	687,000
IX.—Local remittances ...	79,119	200,000	155,000	...	45,000	456,000	301,000	...
X.—Inter-provincial and inter-departmental transactions ...	15,978,696	20,000,000	25,000,000	5,000,000	...	25,000,000	...	...
XI.—Remittance account with the Home Treasury ...	1,229,432	1,300,000	1,531,000	231,000	...	1,196,000	...	335,000
XII.—Secretary of State's bills on India sold*	10,134,455	17,000,000	15,680,000	...	1,320,000	15,000,000	...	680,000
XIII.—Sundry obligations incurred ...	552,713	500,000	532,000	32,000	...	602,000	70,000	...
XIV.—Public debt incurred*	8,367,186	2,800,000	16,329,000	13,529,000	...	8,009,500	...	8,319,500
XV.—Guaranteed railway capital received ...	4,287,902	1,950,000	2,681,000	731,000	...	3,073,000	392,000	...
TOTAL ...	147,285,825	139,100,000	156,814,959	17,714,959	...	146,097,500	...	10,717,459

* The Estimates in this Statement of the amounts to be borrowed and to be supplied to the Home Treasury by Bills in 1879-80 are the that the Secretary of State will raise by Bills the exact amount stated;

Abstract of the above showing how the

ACCOUNTS, 1877-78.				REGULAR ESTI	
	£		£		£
Surplus of local revenue	183,830	Deficit of public revenue	8,334,139	Surplus of local revenue	35,000
Service funds, civil ...	60,037	Service funds, military ...	281,687	Service funds, civil ...	113,000
Deposits	2,212,894	Loans to native states, corporations and individuals	1,082,557	Savings banks' deposits ...	30,000
Sundry obligations ...	58,422	Savings banks' deposits withdrawn	10,858	Remittances	285,041
Public debt incurred ...	7,345,416	Remittances	166,811	Public debt incurred ...	4,498,000
Guaranteed railway capital received	125,747	Balance increased ...	110,294	Sundry obligations ...	183,000
				Balance reduced ...	1,374,959
TOTAL ...	9,986,346	TOTAL ...	9,986,346	TOTAL ...	6,519,000

Fort William;
Financial Department,
The 13th March 1879.

E. W. KELLNER,
Offg. Deputy Comptroller General.

THE GOVERNMENT OF INDIA IN INDIA AND IN ENGLAND.

DISBURSEMENTS.	Accounts, 1877-78.	Budget Estimates, 1878-79.	Regular Estimates, 1878-79.	Increase.	Decrease.	Budget Estimates, 1879-80.	Budget Estimates, 1879-80, compared with Regular Estimates, 1878-79.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
1.—Whole public expenditure	67,303,440	65,649,000	67,979,000	2,330,000	...	69,457,000	1,478,000	...
2.—Local expenditure ...	3,627,231	600,000	420,000	...	180,000	455,000	35,000	...
3.—Service funds, civil ...	524,286	500,000	477,000	...	23,000	453,000	...	24,000
4.—Service funds, military ...	281,687	281,000	357,000	76,000	...	214,000	...	143,000
5.—Loans advanced to native states, corporations and individuals ...	1,505,050	800,000	1,240,000	440,000	...	416,000	...	824,000
6.—Savings banks' deposits withdrawn ...	736,546	650,000	690,000	40,000	...	700,000	10,000	...
7.—Other deposits repaid and advances made ...	24,465,897	14,000,000	13,800,000	...	200,000	12,000,000	...	1,800,000
8.—Local remittances ...	89,789	200,000	113,000	...	87,000	837,000	724,000	...
9.—Inter-provincial and inter-departmental transactions ...	15,871,617	20,000,000	24,635,959	4,635,959	...	24,525,000	...	110,959
10.—Remittance account with the home treasury ...	1,166,288	1,270,000	1,652,000	382,000	...	1,290,000	...	362,000
11.—Secretary of state's bills on India paid ...	10,460,819	17,000,000	15,680,000	...	1,320,000	15,000,000	...	680,000
12.—Sundry obligations discharged ...	494,291	400,000	349,000	...	51,000	494,500	145,500	...
13.—Public debt discharged ...	1,021,770	300,000	11,831,000	11,531,000	...	3,683,000	...	8,148,000
14.—Guaranteed railway capital withdrawn ...	4,162,155	2,950,000	3,391,000	441,000	...	3,073,000	...	318,000
15.—Balance ...	15,574,959	14,500,000	14,200,000	...	300,000	13,500,000	...	700,000
TOTAL ...	147,285,825	139,100,000	156,814,959	17,714,959	...	146,097,500	...	10,717,459

best that can now be made; but they are subject to modification as the year goes on; the Government must not be understood to pledge itself or that the exact amount stated will be borrowed during the year.

Ways and Means are provided.

MATES, 1878-79.		BUDGET ESTIMATES, 1879-80.			
	£		£		£
Deficit of public revenue	3,299,000	Service funds, civil ...	150,000	Deficit of public revenue	4,895,000
Service funds, military ...	357,000	Savings banks' deposits ...	30,000	Deficit of local revenue	5,000
Loans to native states, corporations and individuals	1,040,000	Sundry obligations ...	107,500	Service funds, military ...	214,000
Deposits repaid ...	1,113,000	Public debt incurred ...	4,326,500	Loans to native states, corporations and individuals	200,000
Guaranteed railway capital withdrawn ...	710,000	Balance reduced ...	700,000		
TOTAL ...	6,519,000	TOTAL ...	5,314,000	TOTAL ...	5,314,000

W. WATERFIELD,
Offg. Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

V.

REVENUE AND EXPENDITURE OF THE

Estimates,

REVENUE.	Accounts, 1877-78.	Budget Estimates, 1878-79.	Regular Estimates, 1878-79.	Increase.	Decrease.	Budget Estimates, 1879-80.	Budget Estimates, 1879-80, compared with Regular Estimates, 1878-79.	
							Increase.	Decrease.
CIVIL.	£	£	£	£	£	£	£	£
I.—Land Revenue ...	20,026,036	22,071,000	22,241,000	170,000	...	21,945,000	...	296,000
II.—Tributes	675,120	705,000	709,000	4,000	...	703,000	...	6,000
III.—Forest	650,668	682,000	592,500	...	89,500	670,400	77,900	...
IV.—Excise	2,457,075	2,750,000	2,592,000	...	158,000	2,742,000	150,000	...
V.—Assessed Taxes ...	86,110	765,000	869,000	104,000	...	896,000	27,000	...
VI.—Provincial Rates ...	238,504	3,316,000	2,680,000	...	636,000	2,740,000	60,000	...
VII.—Customs	2,622,296	2,480,000	2,440,000	...	40,000	2,248,000	...	192,000
VIII.—Salt	6,460,082	6,813,000	6,900,000	87,000	...	7,000,000	100,000	...
IX.—Opium	9,182,722	8,250,000	9,347,000	1,097,000	...	9,000,000	...	347,000
X.—Stamps	2,993,483	2,977,000	3,071,000	94,000	...	3,087,000	16,000	...
XI.—Mint	443,822	180,000	171,900	...	8,100	180,000	8,100	...
XII.—Post Office ...	847,694	872,000	910,000	38,000	...	983,000	73,000	...
XIII.—Telegraph ...	352,281	329,100	355,400	26,300	...	357,000	1,600	...
XIV.—Minor Departments ...	23,236	23,000	36,600	13,600	...	32,400	...	4,200
XV.—Law and Justice ...	813,221	823,000	874,000	51,000	...	888,000	14,000	...
XVI.—Police	83,717	69,000	213,000	144,000	...	233,000	20,000	...
XVII.—Marine	231,538	201,000	233,000	32,000	...	206,000	...	27,000
XVIII.—Education	108,994	111,000	145,000	34,000	...	139,000	...	6,000
XIX.—Medical ...	34,206	32,000	51,400	19,400	...	37,500	...	13,900
XX.—Stationery and Printing	33,289	20,000	48,000	28,000	...	46,000	...	2,000
XXI.—Interest	504,671	552,000	598,000	46,000	...	624,000	26,000	...
XXII.—Superannuation Contributions	495,070	501,000	579,300	78,300	...	430,500	...	148,800
XXXI.—Gain by Exchange ...	561,238	497,000	423,000	...	74,000	431,000	8,000	...
XXIII.—Miscellaneous ...	254,291	174,000	349,500	175,500	...	328,100	...	21,400
XXIV.—Public Works, Ordy. ...	340,619	159,600	499,300	339,700	...	461,000	...	38,300
XXV.—Irrigation and Navigation	516,051	669,000	741,500	81,500	...	785,500	44,000	...
XXVI.—Guaranteed Railways	6,129,765	4,943,000	4,862,000	...	81,000	4,861,000	...	1,000
XXVII.—State Railways ...	548,528	967,000	960,000	...	7,000	1,240,000	280,000	...
XXVIII.—Madras Canal Company	—7,839	...	15,000	15,000	...	2,000	...	13,000
XXIX.—Provincial and Local Deficit ...	160,925	289,000	54,000	...	235,000	208,000	154,000	...
XXX.—Army	810,016	850,000	877,500	27,500	...	844,500	...	33,000
GRAND TOTAL ...	58,677,429	63,061,700	64,438,900	1,377,200	...	64,348,900	...	90,000

Fort William;
Financial Department,
The 13th March 1879.

E. W. KELLNER,
Offg. Deputy Comptroller General.

GOVERNMENT OF INDIA IN INDIA.

1879-80.

EXPENDITURE.	Accounts, 1877-78.	Budget Estimates, 1878-79.	Regular Estimates, 1878-79.	Increase.	Decrease.	Budget Estimates, 1879-80.	Budget Estimates, 1879-80, compared with Regular Estimates, 1878-79.	
							Increase.	Decrease.
CIVIL.	£	£	£	£	£	£	£	£
1.—Interest on Debt ...	3,248,108	3,280,500	3,414,400	133,900	...	3,684,500	270,100	....
2.—Interest, other Accounts	355,152	371,000	375,100	4,100	...	385,000	9,900	...
3.—Refunds and Drawbacks ...	304,292	324,000	357,000	33,000	...	356,000	...	1,000
4.—Land Revenue ...	2,527,958	2,958,100	2,952,900	...	5,200	3,035,300	82,400	...
5.—Forests	414,329	476,000	470,200	...	5,800	505,900	35,700	...
6.—Excise	94,337	96,000	91,000	...	5,000	118, 00	27,000	...
7.—Assessed Taxes ...	4,631	54,000	34,000	...	20,000	29,000	...	5,000
8.—Provincial Rates ...	1,027	43,000	43,000	...	...	53,000	10,000	...
9.—Customs	202,815	196,000	202,000	6,000	...	203,000	1,000	...
10.—Salt	539,048	520,000	419,000	....	101,000	383,000	...	36,000
11.—Opium	2,659,504	2,249,000	1,762,000	...	487,000	2,499,100	737,100	...
12.—Stamps	74,213	74,300	73,300	...	1,000	74,900	1,600	...
13.—Mint	105,849	88,000	92,700	4,700	...	87,300	...	5,400
14.—Post Office	809,235	843,900	917,500	73,600	...	983,300	65,800	...
15.—Telegraph	376,376	377,700	372,700	...	5,000	392,200	19,500	...
16.—Administration ...	1,258,071	1,247,400	1,263,600	16,200	...	1,279,600	16,000	...
17.—Minor Departments ...	300,725	510,000	335,500	...	174,500	346,600	11,100	...
18.—Law and Justice ...	3,319,243	3,296,300	3,397,400	101,100	...	3,379,500	...	17,900
19.—Police	2,158,237	2,368,000	2,425,000	57,000	...	2,472,000	47,000	...
20.—Marine	390,501	411,300	437,700	26,400	...	396,900	...	40,800
21.—Education	737,629	1,014,400	984,600	...	29,800	1,024,500	39,900	...
22.—Ecclesiastical	156,611	162,900	155,800	...	7,100	159,900	4,100	...
23.—Medical	611,819	647,000	663,000	16,000	...	679,000	16,000	...
24.—Stationery and Printing...	236,308	232,000	311,000	79,000	...	345,900	34,900	...
25.—Political	389,791	398,700	466,700	68,000	...	375,700	...	91,000
26.—Allowances and Assignts....	1,625,026	1,633,900	1,798,900	165,000	...	1,887,900	89,000	...
27.—Civil Furlo. Allowances	2,240	1,000	4,000	3,000	...	2,000	...	2,000
28.—Superannuations ...	603,377	588,000	658,000	70,000	...	634,000	...	24,000
29.—Miscellaneous ...	172,926	243,000	267,000	24,000	...	245,000	...	22,000
30.—Famine Relief... ...	5,335,090	500,000	555,000	55,000	...	10,000	...	545,000
31.—Public Works, Ordinary ...	3,029,602	4,635,500	4,574,000	...	61,500	4,752,200	178,200	...
32.—Irrigation and Navigation	920,751	976,000	870,800	...	105,200	1,034,800	164,000	...
33.—Guaranteed Railways ...	819,189	742,000	944,800	202,800	...	796,500	...	148,300
34.—State Railways ...	420,754	704,000	1,032,000	328,000	...	995,000	...	37,000
35.—Madras Canal Company ...	352	...	...	...	...	...	...	...
36.—Provincial and Local Surplus	247,034	21,000	300,000	279,000	...	17,000	...	283,000
37.—Army	12,358,511	11,919,600	12,960,200	1,040,600	...	14,135,300	1,175,100	...
38.—Loss by Exchange ...	1,653,377	3,000,000	3,400,000	400,000	...	3,952,000	552,000	...
GRAND TOTAL ...	48,464,038	47,203,500	49,381,800	2,178,300	...	51,710,800	2,329,000	...
39.—Productive Public Works	3,644,229	3,568,000	3,846,500	429,500	...	2,720,700	...	1,276,800

W. WATERFIELD,
Offg. Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

VI.

REVENUE AND EXPENDITURE OF THE HOME

Estimates,

REVENUE.	Accounts, 1877-78.	Budget Estimates, 1878-79.	Regular Estimates, 1878-79.	Increase.	Decrease.	Budget Estimates, 1879-80.	Budget Estimates, 1879-80, compared with the Regular Estimates, 1878-79.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
III.—Forest ...	13,434	...	500	500	...	1,600	1,100	...
XI.—Mint ...	37	...	100	100	...	...	...	100
XIII.—Telegraph ...	6,149	4,900	20,600	15,700	...	23,000	2,400	...
XIV.—Minor Departments...	51,380	3,000	29,400	26,400	...	25,600	...	3,800
XIX.—Medical ...	2,023	1,600	1,600	...	...	1,500	...	100
XXI.—Interest ...	23,617	10,000	14,000	4,000	...	10,000	...	4,000
XXII.—Superiannuation Contributions ...	101,925	97,000	98,700	1,700	...	95,500	...	3,200
XXIV.—Miscellaneous ...	15,492	8,400	11,500	3,100	...	3,900	...	7,600
XXV.—Public Works, Ordy.	17,085	18,400	16,700	...	1,700	16,000	...	700
XXVI.—Irrigation ...	765	...	500	500	...	500	...	...
XXXI. -Army	59,965	45,000	47,500	2,500	...	35,500	...	12,000
GRAND TOTAL ...	291,872	188,300	241,100	52,800	...	213,100	...	28,000

Fort William;
FINANCIAL DEPARTMENT,
The 13th March 1879.

E. W. KELLNER,
Offg. Deputy Comptroller General.

TREASURY OF THE GOVERNMENT OF INDIA.

1879-80.

EXPENDITURE.	Accounts, 1877-78.	Budget Estimates, 1878-79.	Regular Estimates, 1878-79.	Increase.	Decrease.	Budget Estimates, 1879-80.	Budget Estimates, 1879-80, compared with Regular Estimates, 1878-79.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
1.—Interest on Debt ...	2,492,282	2,628,500	2,592,600	...	35,900	2,668,500	75,900	...
2.—Interest, other Accounts	715	1,000	900	...	100	1,000	100	...
4.—Land Revenue ...	3,367	2,900	2,100	...	800	2,700	600	...
5.—Forest	7,338	3,000	2,800	...	200	4,100	1,300	...
6.—Excise	4,702	...	...	...	...	...	...	...
10.—Salt	810	...	...	...	...	...	...	...
11.—Opium	1,762	1,000	1,000	...	...	900	...	100
12.—Stamps	28,460	49,700	42,700	...	7,000	36,100	...	6,600
13.—Mint	26,234	22,000	12,300	...	9,700	25,700	13,400	...
14.—Post Office	96,586	98,100	91,500	...	6,600	99,700	8,200	...
15.—Telegraph	84,770	136,300	98,300	...	38,000	138,800	40,500	...
16.—Administration ...	215,693	215,600	220,400	4,800	...	218,400	...	2,000
17.—Minor Departments ...	30,878	40,000	27,500	...	12,500	28,400	900	...
18.—Law and Justice ...	431	2,700	2,600	...	100	1,500	...	1,100
20.—Marine	151,699	162,700	159,300	...	3,400	149,100	...	10,200
21.—Education	391	600	1,400	800	...	500	...	900
22.—Ecclesiastical	1,428	1,100	2,200	1,100	...	1,100	...	1,100
24.—Stationery and Printing ...	189,337	198,000	198,000	...	...	190,100	...	7,900
25.—Political	79,184	33,300	33,300	...	...	50,300	17,000	...
26.—Allowces. and Assignts. ...	21,067	21,100	34,100	13,000	...	21,100	...	13,000
27.—Civil Furlough Allowces.	235,122	232,000	227,000	...	5,000	230,000	3,000	...
28.—Superannuations ...	1,255,309	1,254,000	1,323,000	69,000	...	1,289,000	...	34,000
30.—Miscellaneous	46,608	33,000	34,000	1,000	...	32,000	...	2,000
31.—Famine Relief	10,685	...	...	...	...	...	...	...
32.—Public Works, Ordinary ...	96,576	124,500	102,000	...	22,500	142,800	40,800	...
33.—Irrigation	192	...	200	200	...	200	...	...
34.—Guaranteed Railways ...	4,635,491	4,699,000	4,689,200	...	9,800	4,744,500	55,300	...
36.—Madras Canal Company ...	49,983	50,000	50,000	...	...	50,000	...	...
38.—Army	4,281,250	3,880,400	4,049,800	169,400	...	4,119,700	69,900	...
TOTAL ORDINARY ...	14,048,350	13,890,500	13,998,200	107,700	...	14,246,200	248,000	...
39.—Productive Public Works	1,146,823	987,000	752,500	...	234,500	779,300	26,800	...

W. WATERFIELD,
Offg. Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

VII.

RECEIPTS AND DISBURSEMENTS AT THE TREASURIES

RECEIPTS.	Accounts, 1877-78.	Budget Estimates, 1878-79.	Regular Estimates, 1878-79.	Increase.	Decrease.	Budget Estimates, 1879-80.	Estimates, 1879-80, compared with Regular Estimates, 1878-79.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
I.—Balance	12,750,698	14,734,600	14,498,302	...	236,298	12,988,800	...	1,509,502
II.—Public revenue ...	58,677,429	63,061,700	64,438,900	1,377,200	...	64,348,900	...	90,000
III.—Local revenue ...	3,811,061	600,000	455,000	...	145,000	450,000	...	5,000
IV.—Service funds, civil ...	584,323	600,000	590,000	...	10,000	603,000	13,000	...
V.—Service funds, military	...	...	...	...	...	...	...	...
VI.—Loans to native states, corporations and individuals repaid ...	422,493	200,000	200,000	...	...	216,000	16,000	...
VII.—Savings banks' deposits...	725,688	700,000	720,000	20,000	...	730,000	10,000	...
VIII.—Other deposits received & advances recovered	26,617,482	13,996,000	12,681,000	...	1,315,000	11,996,000	...	685,000
IX.—Local remittances ...	79,119	200,000	155,000	...	45,000	456,000	301,000	...
X.—Inter-provincial and inter-departmental transactions ...	15,978,696	20,000,000	25,000,000	5,000,000	...	25,000,000	...	...
XI.—Remittance account with the Home Treasury ...	1,119,627	1,145,000	1,027,000	...	118,000	1,089,000	62,000	...
XIII.—Sundry obligations incurred ...	552,713	500,000	532,000	32,000	...	602,000	70,000	...
XIV.—Public debt incurred*	4,087,186	2,800,000	13,317,400	10,517,400	...	5,000,000	...	8,317,400
XV.—Guaranteed railway capital received ...	2,010,667	1,822,100	1,877,500	55,400	...	2,149,700	272,200	...
TOTAL ...	127,417,182	120,359,400	135,492,102	15,132,702		125,629,400		9,862,702

* The Estimates in this Statement of the amounts to be borrowed and to be supplied to the Home Treasury by Bills in 1879-80 are the that the Secretary of State will raise by Bills the exact amount stated; or that the exact amount stated

Abstract of the above showing how the

ACCOUNTS, 1877-78.				REGULAR ESTI	
	£		£		£
Surplus of public revenue ...	6,569,162	Deficit of public revenue ...		Surplus of public revenue	11,210,600
Surplus of local revenue ...	183,830	Service funds, military ...	281,687	Surplus of local revenue	35,000
Service funds, civil ...	60,037	Loans to native states, corporations and individuals	1,082,557	Service funds, civil ...	113,000
Deposits received ...	2,154,512	Savings banks' deposits withdrawn	10,858	Savings Banks' deposits ...	30,000
Savings banks' deposits ...	...	Secretary of state's bills paid	10,460,819	Remittances	917,598
Remittances ...	1,053,443	Balance increased ...	1,747,604	Sundry obligations ...	183,000
Public debt incurred ...	3,065,416			Public debt incurred ...	3,875,900
Guaranteed railway capital received ...	438,703			Guaranteed railway capital received ...	317,400
Sundry obligations ...	58,422			Balance reduced ...	1,509,502
Balance reduced ...	...				
TOTAL ...	13,583,525	TOTAL ...	13,583,525	TOTAL ...	18,192,000

Fort William;
Financial Department,
The 13th March 1879.

E. W. KELLNER,
Offg. Deputy Comptroller General.

OF THE GOVERNMENT OF INDIA IN INDIA.

DISBURSEMENTS.	ACCOUNTS, 1877-78.	BUDGET ESTIMATES, 1878-79.	REGULAR ESTIMATES, 1878-79.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1879-80.	BUDGET ESTIMATES, 1879-80, COMPARED WITH REGULAR ESTIMATES, 1878-79.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
1.—WHOLE PUBLIC EXPENDITURE	52,108,267	50,771,500	53,228,300	2,456,800	...	54,431,500	1,203,200	...
2.—LOCAL EXPENDITURE ...	3,627,231	600,000	420,000	...	180,000	455,000	35,000	...
3.—SERVICE FUNDS, CIVIL ...	524,286	500,000	477,000	...	23,000	453,000	...	24,000
4.—SERVICE FUNDS, MILITARY ...	281,687	281,000	357,000	76,000	...	214,000	...	143,000
5.—LOANS ADVANCED TO NATIVE STATES, CORPORATIONS AND INDIVIDUALS ...	1,505,050	800,000	1,240,000	440,000	...	416,000	...	824,000
6.—SAVINGS BANKS' DEPOSITS WITHDRAWN ...	736,546	650,000	690,000	40,000	...	700,000	10,000	...
7.—OTHER DEPOSITS REPAID AND ADVANCES MADE ...	24,462,970	13,996,000	13,796,000	...	200,000	11,996,000	...	1,800,000
8.—LOCAL REMITTANCES ...	89,789	200,000	113,000	...	87,000	837,000	724,000	...
9.—INTER-PROVINCIAL AND INTER-DEPARTMENTAL TRANSACTIONS ...	15,871,617	20,000,000	24,635,959	4,635,959	...	24,525,000	...	110,959
10.—REMITTANCE ACCOUNT WITH THE HOME TREASURY ...	162,593	157,900	515,443	357,543	...	256,500	...	258,943
11.—SECRETARY OF STATE'S BILLS ON INDIA PAID* ...	10,460,819	17,000,000	15,680,000	...	1,320,000	15,000,000	...	680,000
12.—SUNDRY OBLIGATIONS DISCHARGED ...	494,291	400,000	349,000	...	51,000	494,500	145,500	...
13.—PUBLIC DEBT DISCHARGED ...	1,021,770	300,000	9,441,500	9,141,500	....	1,673,500	...	7,768,000
14.—GUARANTEED RAILWAY CAPITAL WITHDRAWN ...	1,571,964	1,633,800	1,560,100	...	73,700	1,608,900	48,800	...
15.—BALANCE ...	14,498,302	13,069,200	12,988,800	...	80,400	12,568,500	...	420,300
TOTAL ...	127,417,182	120,359,400	135,492,102	15,132,702	...	125,629,400	...	9,862,702

best that can now be made; but they are subject to modification as the year goes on; the Government must not be understood to pledge itself will be borrowed during the year; or that it will be borrowed in India or in England as the case may be.

Ways and Means are provided.

MATES, 1878-79.		BUDGET ESTIMATES, 1879-80.			
	£		£		£
SERVICE FUNDS, MILITARY ...	357,000	SURPLUS OF PUBLIC REVENUE	9,917,400	DEFICIT OF LOCAL REVENUE ...	5,000
LOANS TO NATIVE STATES, CORPORATIONS AND INDIVIDUALS	1,040,000	SERVICE FUNDS, CIVIL ...	150,000	SERVICE FUNDS, MILITARY ...	214,000
DEPOSITS REPAID ...	1,115,000	SAVINGS BANKS' DEPOSITS ...	30,000	LOANS TO NATIVE STATES, CORPORATIONS AND INDIVIDUALS	200,000
SECRETARY OF STATE'S BILLS PAID ...	15,680,000	REMITTANCES ...	926,500	SECRETARY OF STATE'S BILLS PAID ..	15,000,000
		SUNDRY OBLIGATIONS ...	107,500		
		PUBLIC DEBT INCURRED ...	3,326,500		
		GUARANTEED RAILWAY CAPITAL RECEIVED ...	540,800		
		BALANCE REDUCED ...	420,300		
TOTAL ...	18,192,000	TOTAL ...	15,419,000	TOTAL ...	15,419,000

W. WATERFIELD,
Offg. Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

VIII.

RECEIPTS AND DISBURSEMENTS AT THE HOME

RECEIPTS.	Accounts, 1877-78.	Budget Estimates, 1878-79.	Regular Estimates, 1878-79.	Increase.	Decrease.	Budget Estimates, 1879-80.	Budget Estimates, 1879-80, compared with Regular Estimates, 1878-79.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
I.—Balance ...	2,713,967	1,265,400	1,076,657	...	188,743	1,211,200	134,543	...
II.—Public revenue ...	291,872	188,300	241,100	52,800	...	213,100	...	28,000
VIII.—Deposits received and advances recovered	61,309	4,000	6,000	2,000	...	4,000	...	2,000
XI.—Secretary of state's bills on India sold and bills bought in India	10,134,455	17,000,000	15,680,000	...	1,320,000	15,000,000	...	680,000
XII.—Other miscellaneous remittances from India ...	109,805	155,000	504,000	349,000	...	107,000	...	397,000
XIV.—Public debt incurred*	4,280,000	...	3,011,600	3,011,600	...	3,009,500	...	2,100
XV.—Guaranteed railway capital received ...	2,277,235	127,900	803,500	675,600	...	923,300	119,800	...
TOTAL ...	19,868,643	18,740,600	21,322,857	2,582,257	...	20,468,100	...	854,757

* The Estimates in this Statement of the amount to be supplied to the Home Treasury by Bills in 1879-80 and of the Debt transactions are the ... the Secretary of State will raise by Bills the exact amount stated, or that

Abstract of the above showing how the

ACCOUNTS, 1877-78.				REGULAR ESTI	
	£		£		£
Secretary of state's bills sold ...	10,134,455	Deficit of revenue ...	14,903,301	Secretary of state's bills sold and bills bought in India ...	15,680,000
Net deposits received and advances recovered ...	58,382	Net miscellaneous remittances to India ...	893,890	Net public debt incurred	622,100
Net public debt incurred...	4,280,000	Net guaranteed railway capital withdrawn ...	312,956	Net deposits received and advances recovered ...	2,000
Balance reduced ...	1,637,310				
TOTAL ...	16,110,147	TOTAL ...	16,110,147	TOTAL ...	16,304,100

Fort William;
Financial Department,
The 13th March 1879.

E. W. Kellner,
Offg. Deputy Comptroller General.

TREASURY OF THE GOVERNMENT OF INDIA.

DISBURSEMENTS.	Accounts, 1877-78.	Budget Estimates, 1878-79.	Regular Estimates, 1878-79.	Increase.	Decrease.	Budget Estimates, 1879-80.	Budget Estimates, 1879-80, compared with Regular Estimates, 1878-79.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
1.—Public expenditure ...	15,195,173	14,877,500	14,750,700	...	126,800	15,025,500	274,800	...
7.—Deposits repaid and advances made ...	2,927	4,000	4,000	...	...	4,000	...	...
10.—Miscellaneous remittances to India ...	1,003,695	1,112,100	1,136,557	24,457	...	1,033,500	...	103,057
13.—Public debt discharged ...	...	....	2,389,500	2,389,500	...	2,009,500	...	380,000
14.—Guaranteed railway capital withdrawn ...	2,590,191	1,316,200	1,830,900	514,700	...	1,464,100	...	366,800
15.—Balance ...	1,076,657	1,430,800	1,211,200	...	219,600	931,500	...	279,700
TOTAL ...	19,868,643	18,740,600	21,322,857	2,582,257	...	20,468,100	...	854,757

best that can now be made; but they are subject to modification as the year goes on; the Government must not be understood to pledge itself that the Debt transactions will be carried out as estimated.

Ways and Means are provided.

MATES, 1878-79.		BUDGET ESTIMATES, 1879-80.			
	£		£		£
Deficit of revenue ...	14,509,600	Secretary of state's bills sold ...	15,000,000	Deficit of revenue ...	14,812,400
Net miscellaneous remittances to India ...	632,557	Net public debt incurred	1,000,000	Net miscellaneous remittances to India ...	926,500
Net guaranteed railway capital withdrawn ...	1,027,400	Balance reduced ...	279,700	Net guaranteed railway capital withdrawn ...	540,800
Balance reduced ...	134,543				
TOTAL ...	16,304,100	TOTAL ...	16,279,700	TOTAL ...	16,279,700

W. WATERFIELD,
Offg. Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

IX.

CLOSING BALANCES OF THE PROVINCIAL GOVERNMENTS.

	Regular Estimate, 1878-79.			Budget Estimate, 1879-80.		
	Provincial.	Local.	Total.	Provincial.	Local.	Total.
	£	£	£	£	£	£
India	...	5,200	5,200	...	1,400	1,400
Central Provinces	58,300	17,200	75,500	76,800	9,800	86,600
British Burmah	134,900	21,300	156,200	82,300	21,300	103,600
Assam	41,300	10,800	52,100	55,100	...	55,100
Bengal	368,500	49,400	417,900	357,000	600	357,600
N. W. Provinces and Oudh	68,400	384,400	452,800	47,100	396,800	443,900
Punjab	46,500	29,000	75,500	49,200	29,000	78,200
Madras	63,500	190,500	254,000	42,200	163,300	205,500
Bombay	121,200	135,900	257,100	127,300	94,700	222,000
Total ...	902,600	843,700	1,746,300	837,000	716,900	1,553,900

Fort William;
FINANCIAL DEPARTMENT,
The 13th March 1879.

E. W. KELLNER,
Offg. Deputy Comptroller General.

W. WATERFIELD,
Offg. Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

APPENDIX A.

APPOINTMENT OF A COMMISSION TO ENQUIRE INTO CERTAIN QUESTIONS AFFECTING THE CUSTOMS TARIFF; AND THEIR REPORT.

No. 29, dated Calcutta, 7th February 1879.

From—The Secretary to the Government of India, DEPT. REVE. AGRI. AND COMMERCE,
To—The HONOURABLE T. C. HOPE, C.S.I., *and* J. D. MACLEAN, ESQ.

I am directed to inform you that the Governor General in Council has been pleased to appoint you to consider and to submit a joint report on certain matters connected with the operation of the Indian Tariff Act, 1875. These matters are stated in the following paragraphs, and I am to request that your report thereon may be submitted as speedily as possible so as to admit of its due consideration and the introduction of such changes as may be decided upon with effect from the 1st of April next.

2. By the Notification of this Department, dated the 18th March last, No. 43, certain descriptions of cotton yarn and piece goods, being of the kind largely spun and woven in the Indian mills, were exempted from duty on import into India. Various representations have been made since the issue of the Notification by private firms, by the Calcutta Chamber of Commerce, and by the Manchester Chamber of Commerce through Her Majesty's Secretary of State, pointing out that the terms of the Notification should be altered and the limits of exemption enlarged. Detailed enquiries have been made into the matter by the Government of India in communication with the Governments of Madras, Bombay, and Bengal, and the result of these enquiries would seem to indicate that some amendment of the Notification, so far as concerns piece goods, may be desirable, if a satisfactory amendment can be made without entailing upon the revenues a loss which in the present financial condition of the State they are not able to bear.

3. The exemptions made by the Notification were avowedly arbitrary in their nature and were designed to afford a certain amount of relief to importers on a basis that was sufficiently definite to be maintained in practice without much trouble or complaint. The enquiries that have been made would seem to shew that this expectation has substantially been realised and that the complaints have been few. At the same time, it is no doubt true that some extension of the original definition might be permitted which would fulfil more completely the intention of exempting from duty all goods of the class produced or capable of being produced in the Indian mills, without causing a loss of revenue that could not be afforded. I am to request accordingly that you will enquire and report, consulting on this point members of the mercantile community, how the definition of the class of cotton manufactures to be admitted free of duty might be improved, without narrowing its operation, and how any extension (within the limits before described) could best be conceded without an undue sacrifice of revenue.

4. It has also been found that the same Notification requires alteration under other heads than that relating to cotton piece goods. The terms of the Notification provide that the articles therein named shall be exempted "from all import duties to which they are liable under the numbers" in which they are entered in Schedule A of the Tariff Act of 1875. In other words, if the articles mentioned can be held liable to duty under other heads of the Tariff Schedule, they shall be taxed. This provision has given rise to much doubt and discussion in Custom-houses, and has occasioned considerable trouble and some confusion in classification. It may be advisable that such a limitation should cease to exist, and that when articles are exempted specifically from duty, they should not be held liable to taxation, unless specifically placed in the Tariff again as dutiable articles. Copy of certain correspondence which has arisen out of this limitation is annexed.

5. Besides these questions, which have arisen out of the Notification of the 18th March, the general question of revising the Tariff classification and

valuations presents itself for consideration. There has been no general revision of the present Tariff Schedule since it was framed in August 1875, although there have been several modifications from time to time in classification and valuation, and the Notification of the 18th March 1878 struck out partially or wholly a considerable number of articles entered in the Import Schedule.

6. The Chamber of Commerce of Bengal has urged upon the Government the necessity of revising the Tariff valuations, pointing out that in many cases these are much above the current market values. There is no doubt force in this representation, although the present low range of prices may be considered temporary, the result of specific causes. But even if the representation had not the claims to consideration which it seems to deserve, there is no question that valuations which were fixed almost four years ago may require alteration in the interests of the State as well as in those of importers. You are requested to enquire into this matter and submit such proposals as you may consider necessary for the revision of the values entered in the existing Import Schedule of the Tariff Act.

7. The Chamber of Commerce further desires that valuations should be revised annually, and the Governor General in Council considers that compliance with this request might be expedient. How the revision should be made is a matter for consideration. His Excellency in Council, as at present advised, does not think that, for the mere purpose of revising Tariff values, the annual assemblage of a Committee drawn from all parts of India is either necessary or expedient. If price lists are carefully kept up in the Appraising Departments of the Calcutta and Bombay Custom-house, these lists, subject to test and scrutiny by the local Chambers of Commerce, will probably form the best basis for the assessment of values annually. It is understood however that, except in Calcutta, no price lists are kept up at Indian Custom-houses, and your opinion is requested as to this matter generally and as to the nature of the instructions to local authorities which would be necessary for the preparation of price lists in such manner as to make them faithful and complete records of the fluctuations of market prices and a safe basis, acceptable alike to Government and the mercantile community, for the settlement of standard average values for the assessment of duty.

8. It has further been suggested to the Government of India that it is expedient to frame the Tariff so as to levy duty as far as may be possible at a fixed rate on quantity, instead of taking it by a percentage on value, real or assumed. There is a large class of articles, staples of trade, to which this system (on which the Export Schedule of the present Tariff is based) may perhaps, with advantage, be applied.

9. It seems also that the Tariff Schedule might be so reconstructed that by more particular detail of articles and greater precision of definition, no room may be left for doubt as to the classification of articles for duty. At present doubts often arise as to the proper classification of articles not specified in the Tariff. The object proposed to be attained is to increase the number of specified articles under general heads, and so diminish the number of those grouped undistinguished under "Other sorts." And it is also a matter for consideration whether some articles which still remain on the Import Tariff Schedule do not on their own merits, as well as with reference to the small revenue derived from them, deserve exemption as much as, if not more than, some of the articles exempted by the Notification of the 18th March.

10. It is the wish of His Excellency in Council that, in considering the various questions which have been referred to you on this occasion, you should freely consult the members of the mercantile community in Calcutta, and endeavour as far as possible to ascertain their views upon the subjects which come under discussion. It is important that no time should be lost in commencing these enquiries with the view to the early submission of your report.

11. The correspondence noted in the annexed list is forwarded for your information.

List of Enclosures.

Letter from the Bengal Chamber of Commerce, dated the 17th April 1878, suggesting an alteration of the terms of the Notification in respect of the abolition of duties on certain classes of cotton goods.

Despatches from Her Majesty's Secretary of State for India, Nos. 72 and 95, dated, respectively, the 18th April and 16th May 1878, forwarding representations from the Manchester Chamber of Commerce and certain merchants of that city on the same subject.

Letters to the Governments of Madras, Bombay, and Bengal, Nos. 65-67, dated the 28th June 1878, calling for returns shewing the effect of the Notification on the cotton goods trade, and the replies thereto received from those Governments.

Letter from the Bengal Chamber of Commerce, dated the 8th July 1878, suggesting a revision of the values under which duties are assessed under the Tariff Act XVI of 1875, and suggesting that Tariff Schedules generally should undergo revision annually.

Letter from the Chief Commissioner of British Burma, No. 932—311, dated the 17th May 1878, with enclosures.

Letter No. 69, dated the 17th July 1878, to the Chief Commissioner of British Burma.

Letter from the Government of Bombay, No. 3768, dated the 25th July 1878, and enclosure.

Letter to the Government of Bombay, No. 123, dated the 18th September 1878.

Letter from the Government of Bombay, No. 5191, dated the 10th October 1878; No. 5912, dated the 16th November 1878; and No. 6296, dated the 5th December 1878, with enclosures.

Letter to the Government of Bombay, No. 3, dated the 4th January 1879.

Letter from the Government of Bombay, No. 185, dated the 13th January 1879.

Letter to the Government of Bombay, No. 74, dated the 1st February 1879.

No. 5, dated Calcutta, the 28th February 1879.

From—The HONOURABLE T. C. HOPE, C.S.I., AND J. D. MACLEAN, ESQ.,

To—The Secretary to the Government of India, DEPT. OF REVE., AGRI., AND COMMERCE.

With reference to your letter No. 29 of the 7th instant, we beg to report as follows upon the question of exemption of certain descriptions of cotton yarn and piece goods from duty on import into India. Upon the other subjects to which your letter refers, we shall address you hereafter, when our enquiries, which in some cases involve correspondence with other parts of India, have been brought to a close.

2. The exemption of cotton goods granted by the Notification No. 43 of 18th March 1878, was couched in the following terms :—

Terms of exemption of cotton goods.

"Cotton, grey piece goods, *viz.* :—

T cloths under 18 reed, jeans, domestics, sheetings, and drills shewn to the satisfaction of the Customs-Collector, whose decision shall be final, to be of the dimensions, weights, counts, and qualities now generally known under those descriptions, and to contain no yarn of a higher number than 30*s*.

Cotton twist:

Mule, No. 32 and lower numbers.

Water, No. 20 and lower numbers."

It was subsequently explained (Notification No. 56, dated 24th April 1878) that the exemption of twist applied to grey twist only.

3. To the terms of this exemption exception has been taken in various quarters. Regarding the portion relating to piece goods, the Chambers of Commerce of Manchester and Bengal, whose letters we append, and various mercantile firms, urge that the exemption is materially vitiated by the limitation to certain specified classes of goods which it contains. There are, it is said, other classes of goods made of the same coarse yarns as those specified are, and differing from the latter only in width, length, and name, which thus remain subject to duty. And further, it is argued that, if cloth answering to a certain known description is exempted when made of yarns not above 30*s*, any cloth made of such yarns ought to be free, whether it answers this description or not. The limitation is declared to be thus not only productive of anomalies and unfair taxation, but also in contradiction of the declaration made in paragraph 57 of the Financial Resolution No. 1911, dated 18th March 1878, that "the real test" of what duties are protective "is the quality or fineness of the yarn of which the goods consist." Finally, both the Chambers referred to suggest as a remedy the exemption of *all* cloths, of whatever designation, made of yarn not finer

Objections made.

than 30*s*, and the suggestion is supported from other quarters, as explained in paragraph 8.

4. With regard to the exemption of grey twist the only objection comes from the Manchester Chamber, who state that "it is well known a great portion of yarn shipped to India up to 24*s* water and 40*s* mule, both inclusive, is spun from cotton grown in India," and who base on this statement a request for the exemption of "all yarns up to 36*s* water and 42*s* mule."

Explanation of the piece goods exemption.

5. We will first consider the case of piece goods. It is evident, from the nature of the objections made, that the intention of the Government in issuing the Notification has been generally misunderstood. It is supposed that the intention was to exempt all goods upon which the duties might to any extent operate protectively. But the Resolution itself shews that a more limited measure was alone contemplated. Paragraphs 58 and 57 announce that "the Government of India has determined to *commence* by exempting" only "certain descriptions of goods regarding which it can *safely* be asserted that they are of the kinds with which Indian manufactures can compete successfully." The italics are our own. The necessity for this cautious and limited action arose from financial considerations, which have, in all declarations made regarding the cotton duties by the Secretary of State or the Government of India, been invariably declared to be paramount.

6. The information available in April last shewed, and we may mention that the conclusion has been amply confirmed by subsequent special enquiries, that the Indian mills rarely, if ever, spin yarn finer than 28*s*, and that the bulk of their cloths are made of much lower numbers. With the view of allowing an ample margin for all cases of doubt, 30*s* was fixed on as the "quality or fineness of yarn" at which the line of competition should be drawn. The exemption of all cloths made of yarn not exceeding this count would have been a necessary consequence of this decision, but for the difficulty of estimating the loss of revenue involved, the strong presumption that the loss would be considerable, and the inexpedience of running any serious financial risks. The causes of this difficulty, and the grounds for this presumption, will be apparent presently. All that was ascertainable was that grey T cloths under 18 reed, jeans, domestics, sheetings, and drills were for the most part made of yarns within the limit fixed; that these goods possessed a comparatively well fixed and recognisable character; and that the loss by exempting them would not exceed £20,000 to £22,500. This loss the Government were content to bear, and the Notification was framed accordingly. To prevent the passing of finer goods under the designations exempted, as also to avoid exclusive reliance on the testing of the yarn, which presents many difficulties in practice, the further check was provided that the cloths must be of the "dimensions, weights, counts, and qualities now ordinarily known under those descriptions."

Practical working of the Notification.

7. There appears to be no room for doubt that the Notification was sufficient and suitable for the objects the Government had in view, and that it has worked, within the limits it was intended to work in, without much trouble or complaint. The records of a number of both Calcutta and Bombay disputed cases, which are before us, shew that attempts of various kinds to pass off cloths of higher descriptions as belonging to the lower were readily detected and generally admitted by the importers, as also that the difficulties of testing the counts of yarn, though considerable, were not so formidable as had been supposed. The descriptions of cloth named in the Notification are all such as are perfectly well known; many of them are generally quoted in trade circulars and prices current; merchants have no difficulty in understanding what is meant, and Customs officers have no doubts about recognising them and passing them. If people make up shirtings in short lengths to pass as T cloths, or in double lengths, with a heading at each end, to simulate domestics, or put headings on their goods different from those with which they have previously been imported, or stamp their goods with designations to which they have no claim, they cannot reasonably complain at being obliged to pay the duty they have deliberately attempted to evade. On the above grounds, therefore, we do not consider that the terms of the Notification could be improved without altering its scope.

8. The real proximate source of the complaints which have arisen is the fact that there is little essential difference between the cloths which have been exempted and large classes of cloth, otherwise styled, which have not. "Chudders," for instance, are merely sheeting made up in short lengths to suit the Calcutta market, of which they are a specialty; "longcloth" is a name for a coarse shirting of particular dimensions chiefly imported at Bombay; while shirting of a coarse texture, when made up of a certain length and width, is almost the same as T cloth. To put the case in another form, cloth of almost the same texture *may* be found in a chudder, a dhotee, a T cloth, a longcloth and a shirting, the only variation being in length, width, and other details. We are well aware that it is only in a certain sense that these names can be said to be interchangeable, for a cloth is not, strictly speaking, entitled to a certain name unless it is of the dimensions, yarns and description generally known as appertaining to that name. And further, some names indicate somewhat different articles according to whether they are used for the markets of India or the United Kingdom. Virtually, all grey cloths are one long range, varying and almost infinitely variable in the details of length, width, weight, or yarn. It is sometimes very difficult to determine to which "description" a particular cloth belongs.

Real source of complaints.

9. The only effective remedy obviously is to treat similarly, whether by exemption or taxation, all cloths of the same texture, irrespective of the lengths and widths in which they happen to be made up, or the names by which people may choose to call them. This course is that which is, more or less explicitly, asked for by the Chambers of Commerce of Bengal and Manchester, as well as by four mercantile firms in Calcutta, four in Madras, and four in Bombay, who have been consulted, and is approved by the Bengal Board of Revenue and the Customs-Collector and Government of Madras. On the other hand, it is opposed at Madras by the Board of Revenue and one firm, and by the Chamber of Commerce, a copy of whose letter is appended. The Bombay Chamber of Commerce, and the Governments of Bengal and Bombay, have expressed no opinion.

Only effective remedy is similar treatment of *all* cloths of same texture.

10. To ascertain, however, whether cloths are of a specified texture is one of the difficulties by which the whole question is surrounded. Theoretically, texture depends solely upon the quality or fineness of the yarn employed, and the latter should be readily ascertainable by weighing a piece of cloth of certain dimensions. In other words, the count, dimensions, and weight of a piece should indicate the average number of the yarn. But this is only true of goods made of pure cotton, and, practically, no such goods exist. A certain amount of sizing is indispensable to strengthen the warp against the friction and wear it must undergo in weaving. A larger amount is sometimes added to improve the appearance of the cloth, and more still to make it cheaper by taking the place of cotton. Addition with the last-named object is often carried, by the aid of China clay and other substances, to an extent amounting to fraud. Sizing and "filling" (as heavy sizing is sometimes called) are thus an inevitable disturbing element, which renders simple weighment insufficient as a test of yarn. No practical method of readily testing the amount of size in cloth has yet been brought forward, as far as we are aware.

Difficulties of testing texture.

11. To meet the difficulty, two courses have been suggested. A Manchester manufacturer has represented that weighment is a good test, provided an allowance be made for sizing, and that 25 per cent. should be the amount of such allowance. Having fixed upon a certain standard of yarn for warp and weft as the maximum for exemption, and ascertained the weight, including 25 per cent. of sizing, of a square yard, a series of tables might be constructed shewing the correct duty-free weight of T cloths, longcloths, and other makes for each count in the reed and pick and each different width. A Custom-house officer, after ascertaining the count and dimensions of any cloth, would only have to weigh it, and charge duty or not according to whether the weight was less or more than the duty-free weight shewn in the corresponding table.

Test by weighment.

12. To this suggestion, which appears to be partly (at least) derived from the French and other Tariffs, there occur to us several objections. *Firstly*, the fixing

of a percentage for sizing is a material interference with the freedom of trade. We are told that there are special objects for which heavily sized goods are preferred, and that in any case the consumer should not be indirectly influenced in the exercise of his discretion. As a matter of fact, goods are frequently sized far above 25 per cent. *Secondly*, a direct inducement would be offered to putting in extra size, so as to bring the weight of the cloth above the weight given in the table, while, on the other hand, the more honest cloths with less sizing would be deliberately handicapped. *Thirdly*, the fixing of a limit would tend to encourage sizing up to that limit, and 25 per cent. is probably about double the proportion required for useful or honest purposes. *Lastly*, any system based on weighment can only test the *average* fineness of the yarn, and will allow of yarn far finer than the standard being used in the weft. Thus, a standard of 30*s* would, under this system, admit of the use of 40*s* in the weft, combined with 24*s* in the warp, with the result of admitting free of duty a yarn respecting which Manchester has at present no direct Indian competition to encounter. If the standard were lowered so as to exclude warp and weft *averaging* more than 30*s*, it would be unfair to much honest cloth, and possibly might even leave untouched a part of the protection which it is the object to remove. Owing to these objections, and especially the last, we consider the test by weighment, as far as now understood, to be unworkable.

Test by measurement.

13. The other alternative, advocated by a Bombay merchant, consists in unravelling a sufficient length of the weft, measuring off one or more leas* of it on a machine or wrap reel of a certain size, and then weighing them to deduce the number of hanks which will go to the pound. He says:—

"The warp would certainly be more difficult to test than the weft; but I think I am correct in saying that in no case is the warp of any cloth ever of higher count than the weft, and thus, if the weft were found by testing to be low enough to pass below the duty standard, it might safely be assumed that the warp was also, so that it would appear that if an efficient test could be applied to the weft, it would meet the object in view. Now, as a matter of fact, the weft is easily unravelled, and still more easily tested; and such testing is likely to be accurate from the fact that cloth is sized while in the warp and before the weft is applied. Thus, the weft is not directly sized, and only absorbs what it may gather from the warp. That it does absorb some, is no doubt the case; but in all probability this is not more than 6 or 8 per cent. at the outside, and the testing would thus be accurate to within that limit; say, in 30*s* to within two or four counts."

The Commissioner of Customs, Bombay, writing on the same subject, says that the weft is not invariably, though it is usually, finer than the warp, and that several tests from the same cloth sometimes give different results. On the other hand, he seems to estimate the probable error at not more than one or two numbers, and this is supported by other evidence and our own experiments. We are informed by a Calcutta firm, who import largely on their own account, that the wrap reel is used daily by their agents in Manchester to test the purchases made on their behalf, and is found sufficiently trustworthy to protect them from imposition and loss.

14. This mode of test rests on more than one assumption, and evidently cannot give absolutely accurate results. The margin of error, however, seems pretty fairly distributed. If the weft takes up from the warp size enough to increase its weight by two or three numbers, that is in favour of the manufacturer. If, on the other hand, the effect of the size is, in some cloths at least, "neutralised by the increased tenuity resulting from the weaving and unravelling," as experience at Bombay is reported to shew, the Government will be no loser.

Test by measurement preferred.

15. Bearing in mind that absolute accuracy is rarely attainable in anything, that the bulk of imports will probably still consist of cloths of the well-known dimensions, weights, counts, and qualities (about which disputes are rare), and that, even without the systematic use of the reel, the decisions of our Customs-Collectors as to yarns appear to have been pretty generally acquiesced in as equitable, we are of opinion that the system of measurement will in practice be found sufficient

* Yarns are numbered according to the number of hanks of 840 yards long that go to the pound weight. Yarn of which 30 hanks make a pound is called 30*s*, and so on. Each hank consists of 7 leas. Each lea of 120 yards long = 80 revolutions of a 54-inch reel.

as a test of texture. It is at any rate preferable to any other with which we are acquainted, and the objections to it are not sufficiently weighty to render unsafe the exemption of all cloths of the same texture, which we have above stated to be the only effective remedy for the complaints against the system of exempting specified classes of goods now in force under the Notification.

Suitable limit of exemption.

16. The question which next arises is what texture of cloth or, in other words, what number of yarn should be made the limit of exemption. In paragraph 57 of the Resolution already referred to, the object at present in view is declared to be the abolition of such of the Indian cotton duties as are now actually protective. The chief point to consider is what are the present capacities and work of the Indian mills. Regarding Bombay, Mr. O'Conor, the Assistant Secretary in the Statistical Branch of the Department of Revenue, Agriculture, and Commerce, made, during a recent visit there, very full enquiries. They amply corroborate what has already been formally stated on various occasions. We make the following extracts from a useful note which he has submitted:—

"The bulk of the yarns spun consists of Nos. 6, 10, and 20 mule twist. Water twist is spun in smaller quantities, and the highest number spun in any quantity seems to be No. 18, but the bulk is 16*s*. * * * * The commoner kinds of short-stapled cottons are not fit for the spinning, by machinery, of the finer kinds of yarns; * * * from 24*s* to 26*s*, 28*s*, and 30*s* the spinner requires a longer-stapled cotton, such as Hingunghat and good Coompta, and even such good cotton is not adapted for the proper spinning of yarn above 30*s*. * * * For the weaving of T cloths, longcloths, and domestics, the yarns employed range from 14*s* to 18*s* water and 16*s* to 22*s* mule. Very little mule twist is spun above 24*s*, and these (24*s*) are sent largely to China. For hosiery 26*s* and 28*s* are spun. * * * * The real number, as ascertained by practical test of the yarns spun in the Bombay mills, is almost invariably two numbers lower than the declared number. I have tried the yarn repeatedly and found this to be the case."

The spinnings at Madras and Calcutta are of much the same character.

17. There are thus good grounds for believing that, except in a small number of isolated instances, the limit of 30*s* fixed by the Notification goes rather beyond what is necessary for abolishing existing direct protection. The small margin thus left is, however, useful in many ways, by leaving room for errors of estimate, by covering isolated higher local manufacture, by allowing a greater difference between warp and weft, by minimising disputes, and by promising greater permanence for the limit than could otherwise be expected. A limit of 26*s* might cover the bulk of the local manufacture for a time, but it could not be long maintained, while much outcry would be caused by a reduction from the existing limit of 30*s*, which seems to have been generally approved. To this we have alluded further in paragraph 27. We would therefore deprecate any alteration, unless indispensable for financial reasons.

18. We have spoken above of existing *direct* protection. But there exists also the indirect protection, alluded to in the Resolution, which enables the Indian-made coarse goods to displace, by their cheapness or other qualities, finer cloths imported. We have been shewn a particular cloth, made of 20*s* in an up-country mill, which we are told is driving out, in a certain local area, imported cloth made of 40*s*. The former happens to serve a particular purpose as well as the latter, while it is cheaper and wears better. In Bombay, local longcloths have already almost driven out imported ones of finer yarn, and Bombay dhoties *may* in time seriously affect the coloured-border imported dhoties now preferred to them in Bengal. But this indirect protection is very impalpable, and may easily be overestimated. We do not see how it can be dealt with, except by an exemption going far beyond the present limits of actual local manufacture, and involving a sacrifice of revenue not absolutely necessary. Supposing, for instance, 40*s*. were taken as a limit, this would admit duty-free the great bulk of shirtings and other fine grey goods. The loss would probably reach more than double the amount assigned in paragraph 23 to a limit of 30*s*., and as the goods are now in the market, instead of having to be made to suit new conditions (as explained in paragraphs 21 and 23) this loss would accrue at once. If so much were conceded, it would hardly be worth while to stop short of exempting *all* grey piece goods from duty.

Prevention of frauds.

19. In order to diminish the difficulties of the Customs-Collector in ascertaining whether goods are within the duty-free limit, two suggestions have been made to us by members of the mercantile community. The first is that the highest number of yarn used in any imported cotton cloth should invariably be declared by the importer in his bill-of-entry, on his own authority or that of a manufacturer's certificate. This the Chief Customs authority possesses, under section 86 of the Sea Customs Act, power to require him to do. The second is that no such cloth should be admitted duty free unless it was stamped by the manufacturer with the "description," or the limit of yarn, under which it is to be declared and passed. It is argued that these measures would prevent goods being passed as of duty-free quality, and afterwards sold as of their real higher quality, and would thus deprive the importer of his chief inducement to fraud, as also that they would at the same time be a material assistance to sound goods, and no honest trader could reasonably object to them. We must state frankly, however, that we place little reliance upon certificates and declarations. As to marks, experts at trade centres are never guided by them, and up-country retail purchasers rarely even understand them, but depend on their own inspection of the cloth itself.

Financial results of exemption already granted.

20. We will now endeavour to present the financial aspects of an exemption of *all* cloths made of yarn not finer than 30*s*. The concession in this direction already made was estimated, in paragraph 58 of the Resolution of 18th March 1878, as costing not more than £22,227, and probably less, according to the duty paid in 1876-77. On the figures of 1877-78, now available, the estimate would be £16,775 only. The actual amount of duty foregone in the eight and a third months following the date of the Notification has been £8,907, as far as we have been able to ascertain. The later Madras figures, and those for "other ports," are only estimates. This low result is, however, to a great extent abnormal. Importations of grey piece goods are usually slack before, and during a great part of, the monsoon, while the late scarcity in Western and Southern India, the disturbed state of Europe, the strikes in English manufacturing districts, and the accumulation of certain stocks have probably all contributed towards a diminution of imports. At the same time, such explanations cannot be altogether relied on, for the fluctuations which take place in the different items of the cotton trade are considerable, and are attributable to alterations in the public taste, to the opening or closing of particular markets, and other causes, as well as to such as those already named. The marginal table is instructive in this respect. The fall in coarse goods above referred to will be seen to have been accompanied by a considerable rise in higher qualities, resulting

	April to June.	July to December 31st.	TOTAL.
	£	£	£
Bengal	751	3,932	4,683
Bombay	1,005	2,226	3,231
Madras	243	565	808
Other Ports	60	119	185
TOTAL ...	2,065	6,842	8,907

Items.	VALUES. 1876-77.	1877-78.
Piece-goods—	£	£
Jaconets	634,877	791,649
Mulls	195,640	164,597
Printers	62,941	50,445
Shirtings and longcloths	5,804,862	6,836,596
T cloths, 18 reed and upwards, and madapollams ..	891,979	800,743
T cloths under 18 reed, jeans, domestics, sheetings, and drills	444,413	335,500
Other sorts, grey	1,238,124	2,218,539
White, bleached	2,873,639	2,954,775
Coloured, printed or dyed	2,690,188	2,454,100
Handkerchiefs and shawls in the piece	60,256	135,806
Canvas	324	1,191
Other sorts of piece goods	4,068	5,340
TOTAL PIECE-GOODS ...	14,901,311	16,749,281
Sewing thread	60,561	83,446
Twist—		
Mule, No. 32 and under	97,162	96,507
" " 33 to 42	749,174	830,892
" above 42	309,585	331,033
Water, No. 20 and under	1,105	1,588
" " 21 to 30	192,086	196,445
" " above 30	16,719	5,918
Turkey red	854,836	970,307
Other colours	408,646	455,384
TOTAL TWIST ...	2,629,313	2,888,074
All other sorts of cotton goods	28,443	37,454
GRAND TOTAL ...	17,619,628	19,758,255

in an increase of 8·8 per cent. in the entire value of the trade, and of £10,370 in the duty accruing to the Government. A scrutiny of the returns shows that this increase has occurred almost entirely in Bengal, and the fact may be held to corroborate the argument put forth in paragraphs 21 to 26 of the Secretary of State's Despatch No. 9, dated May 31st 1878, that the trade is checked in Bombay, where local production exists, but thrives in Calcutta. On the other hand, however, it might be retorted that the increased imports from Bombay, mentioned in paragraph 25 are, consequently, doing no harm, and that there have been decreases in Madras, Burma and Scind, where there are no local mills at all. The truth seems to be, that in this case both Bombay and Manchester have poured out their over-production on the largest market they could reach, and that generally, much caution is necessary in drawing inferences from limited statistics.

We may here state that neither in this place, nor elsewhere in this report, are we to be understood as ascribing the advance in local manufactures solely, or even mainly, to any protection which they may have received from the import duties.

After a retrospect of past years, we are inclined to think that the loss in an ordinary whole year by the exemption already granted may be taken at £20,000 in round numbers. It is here worthy of note that the coarse goods import trade only amounts now to about one-half of the estimate of four lakhs given of it by the late Tariff Committee in 1875, in paragraph 13 of their Report.

Estimated loss by extension up to 30*s*.

21. Obscure and doubtful as even an estimate of the loss involved in the concession already made is thus found to be, it is certainty compared with any figures which can be offered relating to the extension to all goods made of 30*s* and under, which is now in question. Setting aside all considerations of overstocking, depression of trade, and the like, two fundamental difficulties remain. The first is that the yarn of which goods are made is never specified by importers or manufacturers, whose interest, indeed, it is to hold back what would be a means of ascertaining the amount of size employed. The entire range of superior goods from printers downwards—printers, madapollams, longcloths, shirtings, T cloths 18 reed and upwards, and dhoties—comprises qualities made of 30*s*, and even, in some cases, rather lower numbers; but what proportion they bear, it is impossible to affirm. The second difficulty is that the extension under discussion would probably soon effect a complete revolution in the piece goods trade. The Commissioner of Customs of Bombay (Mr. Pritchard), in an able report on the whole subject, observes of the extension:

> "It will operate to create a new class of shirtings made of yarns 28 by 29 or 30, instead of the present standard quality of 32 by 36. This will pass free of duty, and, if it finds favour in the market, will take the place to a large extent either of the longcloths or of the shirtings now used, or of both. The extent to which the revenue will be affected will depend, first, on whether the new texture takes, and next on whether it finds its chief sale among the classes which now buy Indian-made longcloths, or among those who use the imported shirtings. As it will be of better quality than longcloths, and will be saleable at 5 per cent. cheaper than the shirtings now made, it seems likely that it will compete about equally with both; and that, assuming that it displaces altogether about half as much cloth as is now imported, the loss to the revenue likely to result from its introduction may be taken at about a quarter the income now derived from shirtings."

A large mercantile firm consulted says:

> "There can be no doubt that a trade in cloth made of yarn just within the limit for exemption of duty would be fostered, and which might gradually become of considerable importance. Such cloth would probably be appreciated by consumers for its intrinsic value, as well as for its comparative cheapness, owing to there being no duty upon it; and if this should be the case, it might do away to a considerable extent with the importation of cloth made of yarns ranging from 32*s* upwards."

Going on to estimate the total duty paid by grey cloths made of yarns from 32*s* to 44*s* at £160,000, this firm give, as a "rough guess," one-half of that amount as the probable loss under that item alone. Four other non-official authorities, whom we have consulted in Calcutta, respectively put the loss at one-fourth, two-thirds, three-fourths, and seven-eighths of the shirting revenue.

22. The duty received for grey cotton goods in 1877-78 is shewn in the margin. The fifth item is that of the goods exempted in March last. The others are those which the extension would more or less affect. Chudders would become entirely free, as they are of the same class as the articles under item 5. They would probably have been exempted by name in March last had they been brought to notice, but they are not separately specified in the general returns, as their demand is local and their yield inconsiderable. Coarse or "shirting dhoties" would also be almost entirely freed, if their borders, which are either coloured or of fine white yarn, were left out of consideration. But these borders place them to some extent in the category of fancy goods, and (together with certain caste rules and preferences) give them a position distinct from that taken up by the coarse Bombay dhoties which are now coming to Calcutta in increasing quantities. They are in demand almost exclusively in Bengal, but the item is a very heavy one, and if financial difficulties are pressing, their exemption might be postponed for a time, though it could hardly be permanently denied. The real element of uncertainty arises, however, from the exemption invading, in unknown force, the great domain of shirtings and longcloths, which produces about a third of a million sterling. Longcloths are now an insignificant item, so the shirting revenue is that really threatened.

	£
1. Jaconets and mulls	47,712
2. Printers	2,522
3. Shirtings and longcloths	341,835
4. T cloths over 18 reed, and madapollams	40,037
5. Ditto under 18 reed, jeans, domestics, sheetings and drills ...	16,775
6. Other sorts, including dhoties and chudders	110,929
	559,810

23. The difficulty of our offering any estimate at all of the probable sacrifice of revenue involved in exemption with a limit of 30*s* will, we trust, be fully recognised. We can only put forward, as possibly of little worth, the following figures derived, as regards Bombay, from the Commissioner's report, and as regards Calcutta, from our sifting of the various surmises which have come before us. The amount is about 36 per cent. of the total duty derived from grey goods. Our general impression is that in the first year, before there has been time for new makes of shirting to be devised and establish a footing throughout the country, the loss would be less, perhaps considerably less, than this proportion, but that in subsequent years it might be more. The period within which the full loss will be attained is put by various authorities at from one year to three. Considering that weaving new kinds of cloth involves first spinning the yarn, that such cloths are not likely to be largely made until samples have been sent to India and public opinion has been tested regarding them, and that existing stocks of finer goods must be worked off, we doubt whether the new makes will appear in any great quantity in the Indian market before the fall of 1879, and we should not be surprised if the actual loss of revenue in 1879-80 turned out to be at least a fourth or a third less than the sum we have named. That sum might be further considerably reduced if dhoties were not freed.

	Bengal.	Bombay.	Total.
	£	£	£
Printers	...	500	500
Shirtings and longcloths	80,000	21,000	101,000
T cloths 18 reed and upwards ...	2,000	8,000	10,000
Madapollams	10,000	2,000	12,000
Shirting dhoties, &c.	50,000	5,800	55,800
Chudders	2,500	...	2,500
	144,500	37,300	181,800
Add for other provinces, about ...	...	...	20,200
			202,000

24. We have not overlooked the fact that in the 3rd paragraph of your letter the reference to us embraces the question of exempting all goods of a class not only produced, but "capable of being produced," in the Indian mills. Their present capacity, or in other words, what it at present pays them to produce, has been indicated above, and upon that the limit of 30*s* rests. But what classes of production may hereafter become remunerative to them, with the existing freedom to import long-stapled cotton and under the stimulus which the increase of mills throughout India and the untaxed admission of higher

Manchester goods will afford, we are unable to conjecture. But we may quote, as still appropriate, some remarks made by Mr. Hope in a speech, introducing to the Legislative Council of the Governor General the Tariff Bill in August 1875:

"This scheme (of exempting the coarse goods subject to local competition) had, at first sight, a great deal to recommend it, but it was open to two objections: *first*, that it was impossible to draw a well-defined line between coarse and fine goods; and *secondly*, that any line drawn would not only lead to elaborate evasions and frauds on the part of the home manufacturer, who would endeavour to make goods which should just come within the exemption, but would stimulate the local mills to manufacture goods just above the line, and so would enlarge the range of the competition now complained of. The line would never be a steady and permanent one, for it would be necessary perpetually to keep moving it on further and further, higher and higher, until in the end perhaps the whole duty would be affected."

In the same sense, a large Bombay mercantile firm, speaking of the relief of "chudders" from duty, adds:

"Our own feeling is that local manufacturers can hold their own against Manchester competition in such articles without the assistance that is rendered by import duty, and we further believe that gradually they will extend the field of their competition with Manchester manufacturers, and that, eventually, they will compete successfully in the higher counts of yarn, and also in finer cloths, solely on the strength of their superior position as regards the supply of the raw material and their proximity to the great consuming markets of Asia. At present there is little or no inducement for the local mills to attempt the higher counts of yarn. But competition amongst themselves will gradually force them into it, and in such a case there will be no great difficulty in importing to advantage the better class of raw cotton required either from Egypt or America."

Under these circumstances, we think it is only possible to act upon existing well-ascertained facts.

25. In illustration of this branch of the subject, we may give the following figures, shewing the advance which has lately been made by the Bombay mills in supplying by sea the markets of other parts of India, excluding ports within the Bombay Presidency, of which complete returns are not procurable:—

Exports from Bombay.	1875-76.		1876-77.		1877-78.		1878-79.			
							Nine months' actual.		Twelve months' estimate.	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
		£		£		£		£		£
To Ports in Bengal—										
Twist and yarn ... lbs.	372,400	1,64,18	4,308,524	19,05,93	5,838,262	26,11,55	3,130,810	13,46,01	4,274,413	17,94,68
Piece goods ... yards	1,161,575	1,66,70	3,497,966	6,64,50	12,038,564	22,52,91	15,273,255	21,86,62	17,697,673	29,15,60
To Ports in Madras—										
Twist and yarn ... lbs.	4,667,209	21,44,98	5,850,365	27,25,75	5,076,717	23,97,53	4,145,532	18,99,22	5,527,376	25,32,29
Piece goods ... yards	1,090,314	2,86,74	946,558	2,78,55	795,063	2,02,83	311,235	92,53	414,980	1,23,98
To other Indian Ports—										
Twist and yarn ... lbs.	502,533	2,30,44	538,149	2,61,40	894,440	3,90,91	692,706	2,81,18	923,608	3,74,90
Piece goods ... yards	10,420,128	13,26,89	12,595,642	16,99,99	12,925,749	15,95,35	7,854,662	8,52,11	10,472,882	11,36,15
Total—										
Twist and yarn ... lbs.	5,542,142	25,39,60	10,697,038	48,93,08	11,809,419	53,99,99	7,969,048	35,26,41	10,725,397	47,01,87
Piece goods ... yards	12,672,017	17,80,33	17,040,166	26,43,04	25,759,376	40,51,09	21,439,152	31,31,27	28,585,535	41,75,63
Total values ...		43,19,93		75,36,12		94,51,08				88,75,50

To this must be added the goods sent by land. The extent of this trade cannot be ascertained, as even the returns of supplies sent by railway do not distinguish Indian from European cotton manufactures, but it is estimated by authorities competent to judge at not more than 20 per cent. in addition to the above. Besides this expansion within British India, the export trade in cotton yarn and piece goods of Indian manufacture from all India has, within the last four years, increased as shewn in the margin. Of this trade, about 85 per cent. belongs to Bombay. On the other hand, taking the value of the whole internal trade in 1877-78 at £1,130,000 in round numbers, this is only about

	1875-76.	1876-77.	1877-78.	1878-79. Three months' estimate.
Twist and yarn lbs.	6,228,511	7,926,710	15,600,291	21,963,646
Piece goods yards	15,059,083	15,544,168	17,546,369	22,759,212

8 per cent. of the value (£14,190,000) of the imports of grey goods from the United Kingdom into British India in the same year, and the Bombay trade is undoubtedly far from remunerative at present. At a meeting of the Mill-owners' Association, held there on the 15th instant, it was stated that "nearly one-third of the local mill industry has, in the space of a few months, actually failed. Eight mills have already been put into liquidation, and two or three more are expected to go very soon." Indian cotton manufacture has probably a great future, but that future is probably somewhat remote.

26. Your reference to us likewise contemplates, as a limit to the exemption to be suggested, that it shall not involve "an undue sacrifice of revenue" and "a loss of revenue that could not be afforded." What sacrifice of revenue would not be undue depends upon the present urgency of the necessity for extending the exemption, and what loss of revenue could be afforded can only be determined in clear view of all the financial resources and necessities of India during the coming year. Upon both these matters we possess no sufficient knowledge. We consequently feel that we cannot do more than lay before the Government of India such estimates as we are able to frame of the cost of the various courses of action which appear to be practicable, with the merits or defects of each, and add two remarks *1st*, that the loss by any exemption may be expected to be somewhat recouped by a slight gain, proportioned to its extent but not now ascertainable, in railway receipts; and, *2ndly*, that our recommendations for revision of tariff valuations, which cannot be matured until the end of the month at the earliest, appear likely to involve a considerable loss.

Alternative practicable remedies.

27. Our reasons for thinking the exemption of all cloths of yarns under 30*s* to be the only present effective remedy for the complaints which have arisen have been given above. In view, however, of the sacrifice of revenue thereby involved being found impossible, we may explain two alternatives which occur to us as practicable: *1st*, to exempt all cloths of the same texture, but to lower the standard to yarns No. 26*s*; *2nd*, simply to add one or two more designations of cloth to those contained in the Notification of March 18th.

First alternative remedy.

28. All the evidence received shews that, although the Bombay mills *do*, in special cases and by special order, use yarn nominally 28*s* and 30*s*, the vast bulk of the outturn is well within a maximum of 24*s*. A limit of 26*s* would probably, therefore, suffice *for the immediate present* to relieve from duty most of the imported cloths (speaking broadly) which now suffer from direct local competition. Under this limit, printers (an insignificant item) would get no exemption, T cloths 18 reed and upwards, as also chudders, would enjoy about the same as under a limit of 30*s*, exemption of madapollams would fall to about half, and that of shirtings and dhoties (especially the latter) would be very materially, though perhaps not entirely, curtailed.

29. Subject to all our previous reservations as to the impossibility of giving more than a guess, the cost of this alternative may be presumed to be as per margin. The item for shirtings, however, may perhaps be too high. As before, the whole of this loss would not accrue in the first year, but a greater proportion of it probably would.

	Bengal.	Bombay.	Total.
	£	£	£
Shirtings and longcloths	30,000	8,000	38,000
T cloths 18 reed and upwards ...	2,000	8,600	10,600
Madapollams	6,000	1,000	7,000
Shirting dhoties, &c.	10,000	1,100	11,100
Chudders	2,500	...	2,500
	50,500	17,500	68,600
Add for other provinces, say	...	...	7,600
Total ...	...	...	76,200

27. The advantages of this alternative are, that it would be much cheaper than the exemption up to 30*s*, and that it would save our shirting revenue considerably. Supposing the present normal range of coarser shirtings to be made of from 40*s* to 34*s*, it would not be difficult for a new class, made of 30*s* and just under, to take their place extensively. But to get four counts lower is a different thing, and shirtings of

26*s* would not be good enough for a large proportion of purchasers: We may add that this limit is recommended by the Bombay Commissioner of Customs. On the other hand, the di advantages are, that the narrower limit would make disputes much more frequent, that the retrocession from the already notified limit of 30*s* would cause much outcry, and that the measure could be but very temporary, as the Indian mills would be stimulated at once to push their manufacture into the finer numbers of yarn, and the pressure for a return to the limit of 30*s* or higher could not be long resisted.

Second alternative remedy.

30. If it were decided merely to add a few readily distinguishable kinds of cloth to those already named in the Notification, "*chudders*," which are merely sheeting made in particular lengths to suit the Calcutta market, should certainly be so treated. The coarsest dhoties might also perhaps be exempted, but in their case a special limit of 26*s* yarn would be desirable to exclude the better class of shirting dhoties which would otherwise come in largely for shirting purposes. Similar treatment of longcloths we cannot recommend, as they are practically undistinguishable from shirting. To admit them with a special limit of 26*s* would financially be nearly the same as adopting our first alternative in its entirety, but the practical difficulty of deciding whether a cloth made of 28*s* should be called a longcloth and taxed, or a coarse T cloth and exempted, would be almost insuperable. The cost of exempting "chudders" and dhoties of 26*s* would probably not exceed £15,000. The maintenance of the Notification, thus amplified, would of course leave unsatisfied, in the main, the desire of the present complainants to be allowed to make, unfettered except by the 30*s* limit, shirtings or any other cloth they please. We would not be understood as in any way advocating it.

General reduction of the rate of duty on grey goods.

31. We may here mention that it has been represented to us that it would be better for the interests concerned to reduce the 5 per cent. duty on all grey goods by 1 per cent. or more than to exempt certain specified descriptions of cloth, or even all cloths made of yarn up to 30*s* or any other particular count. In support of this, much extent and importance is assigned to the displacement movement, and it is said that the Indian piece goods and yarns are rapidly affecting all except the very highest imported goods. It is held that such a general reduction, say, of only 1 per cent. at a time, as the finances could bear the loss, would be preferable to total exemption of goods below any given line combined with full duty on those above it. It is thought hard that mills in Lancashire which turn out one class of goods should get a relief which others do not share. The uncertain financial effect of exemption on a limit of 30*s*, and the probability of nearly the whole shirting revenue being lost by it, are insisted on, and the general reduction is advocated as a more certain and economical measure.

32. Setting aside for a moment the practical difficulty of re-imposing a duty of 4 per cent. on the descriptions of goods which have already been declared free, we cannot see how the measure proposed is at all in accord with ascertained facts. We have no good evidence that the displacement movement has attained the proportions alleged, but there is no doubt at all that the Indian mills do, within certain limits, compete seriously and extensively with importers. As it has been decided that the latter are to be relieved of protected competitors, we can see no argument, on the merits, for relieving them piecemeal, and prolonging over a series of years part of any loss they are admitted to sustain, especially with the object of giving exemption from duty to those whose position is as yet only feebly assailed. Financially, the measure possesses some recommendations, but we do not think they outweigh the objections to it, and we doubt whether it would find much favour with the mercantile community.

Complaint about yarns.

33. We now turn to the complaint regarding yarns made by the Manchester Chamber of Commerce alone. It is to the effect that all yarns up to 36*s* water and 42*s* mule ought to be exempted, because the great portion of yarn shipped to India up to 24*s* water and 40*s* mule, both inclusive, is spun from cotton grown in India. Upon the face of this, it does not appear why the exemption should go up to 36*s* water, when the limit of Lancashire spinning of Indian cotton is confessedly only 24*s*; or again, why the Indian cotton should be sent to England

at all to be spun into high numbers unless it cannot be spun profitably on the spot. That it cannot now be so spun, has been repeatedly ascertained by the most careful enquiries, including the recent ones of Mr. O'Conor. He says:

"The bulk of the yarns spun consists of Nos. 6, 10, and 20 mule twist. Water twist is spun in smaller quantities, and the highest number spun in any quantity seems to be No. 18, but the bulk is 16*s*. * * * The causes, then, which prevent the spinning of yarns of 40*s* and upwards in the Indian mills are—*1st*, high price of raw material; *2nd*, diminution in outturn as compared with lower counts; *3rd*, inferior quality of outturn as compared with English yarns. These causes are, no doubt, removable. If the finer cottons are more largely grown, and the price falls considerably, the smaller outturn of yarn within a given time will not be of material importance, and it is possible that with the use of longer stapled cotton and the exercise of greater skill and care, the quality may become as good as that of English yarn. * * * It will be long indeed, in my judgment, before the Indian mills will venture on any active competition with Manchester in the spinning of 40*s* and higher counts of yarn."

The above conclusion is supported by the fact that the numbers for which exemption is asked are those in which the importations are largest, and that there are no symptoms of a decline in the trade. As to indirect competition, we have been told that Bombay 20*s* are displacing, for homespun cloth, imported 40*s* doubled, but as to this we can only refer to what we have said above in paragraph 18. The extent of the trade during the last nine years is shewn in the margin. The amount of duty realized is about £35,000 per annum—a sum far too large to be sacrificed without apparent reason. We may add that the exemption asked would be a great boon to the Bombay mills, and materially promote their spinning fine cloths with English yarn, to the further detriment of the Manchester piece goods trade.

	Water Twist.		Mule Twist.	
	Imports into Calcutta.	Imports into Bombay.	Imports into Calcutta.	Imports into Bombay.
	21*s* to 30*s*. lbs.	30*s*. lbs.	33*s* to 40*s*. lbs.	40*s*. lbs.
1869	The imports are quite trifling.	3,350,185	7,504,500	1,414,890
1870		3,686,570	10,364,000	1,861,310
1871		1,645,270	7,108,500	987,712
1872		2,276,618	7,961,000	912,415
1873		2,220,620	5,603,500	1,432,130
1874		3,021,510	9,052,000	1,056,965
1875		2,049,680	5,977,000	1,193,100
1876		2,922,970	6,133,000	1,557,330
1877		4,325,541	8,633,500	1,739,048

	1876-77.	1877-78.
	£	£
Mules, Nos. 33 to 42	26,221	29,081
Water „ 21 to 30	6,723	6,875
„ above	585	207
Total ...	33,429	36,163

34. With reference to the instructions contained in your 10th paragraph, we have to report that, in addition to careful perusal of the replies of various members of the mercantile community to references, official and demi-official, which had been made to them by the Local Governments and otherwise previously to our appointment, we invited the members of the Chambers of Commerce of Bengal and Bombay, and of the Calcutta Trades Association, to favour us with any representations or suggestions which occurred to them. We have accordingly received visits from several members individually, as also demi-official letters, and held on the 20th a conference with the Committee of the Bengal Chamber.

35. In conclusion of this report we have only to remark that we consider any discussion of, or expression of opinion on, the general policy of a partial or total remission of the cotton duties, and the probable effects of such a policy upon English or Indian manufacturers, or the Indian producer, consumer or tax-payer, to be beyond the limits of the duty assigned to us, and have carefully abstained from such accordingly.

ENCLOSURE No. 1.

Dated Calcutta, 17th April 1878.

From—H. W. I. WOOD, ESQ., *Secretary to the Bengal Chamber of Commerce,*

To—*The Secretary to the Government of India,* DEPT. OF REVE., AGRI., AND COM.

I am directed by the Committee of the Chamber of Commerce to address you in regard to the Notification No. 43, dated 18th March 1878, exempting from all import duties sundry descriptions of grey cotton piece-goods.

In the Resolution No. 1911, dated 18th March 1878, published by the Financial Department, it is stated that the Government of India have been at some pains to ascertain how such of the cotton duties as appear to them actually protective could be defined, and it is then added, as the result of such enquiry, "that the real test is the quality or fineness of the yarn of which the goods consist."

The Committee of the Chamber do not propose to discuss the question of how far this proposition is correct,—the object of their communication being to point out that the legislation which followed the enquiries resulting in the conclusion above referred to appears to have proceeded on a different basis, and to call attention to certain anomalies which, in consequence, have arisen.

Paragraph 57 of the Resolution particularises by name the descriptions of goods proposed to be exempted from duty,—these being T. cloths, jeans, domestics, sheetings and drills; and paragraph 58 imposes "the further condition that goods so exempted shall not contain finer yarn than what is known as 30*s*, that is, yarn of which 30 hanks of 840 yards each weigh one pound." In the Notification it is similarly specified that the goods exempted from duty shall come under certain designations, and also be subject to the further condition as regards fineness of yarn already referred to.

The apparent contradiction between the "real test," as defined by the Government of India, and the terms of the Notification, has occasioned considerable dissatisfaction amongst importers of cotton goods, and it has been represented to the Committee of the Chamber that the condition referred to must operate very unfairly against certain goods which, though satisfying the condition as to count of yarn, are still not commonly recognised by any of the names set forth in the Notification. As an illustration, the Committee would draw attention to a certain description of *stout* or *domestic* cloth, which, for convenience of sale, importers have been in the habit of receiving in pairs of about 10 yards in length. These goods are used very largely by the Natives as *chudders*, and consequently this name has been given to them by importers, and is their recognised designation by the Custom House authorities. This being so, it follows that although the cloth is in all respects, as far as quality is concerned, a *domestic*, still, with the present Notification before him, the Collector of Customs is unable to pass it free of duty.

Other instances might be given to show the unfavourable position in which importers of certain fabrics are placed, but *chudders* have been selected both because they fairly illustrate the anomaly created by the terms of the Notification, and also because such goods are largely manufactured in Native mills; and thus the protection which the Government apparently desire to remove still remains in full force in regard to these goods.

The practical effect of the Notification as it now stands is that cloth made in a particular length and bearing an arbitrary title passes free of duty, while precisely the same fabric, cut up for convenience of sale into a different length, has to pay duty.

The Committee of the Chamber would, therefore, respectfully urge on the Government the desirability of amending the Notification so as to include *all* cloths, of whatever denomination, made of yarn not finer than 30*s*; or if the intention of Government was really to exclude from exemption all goods not specially particularised, although fulfilling as to quality and finences of yarn the "real test" laid down in the Resolution, then in such case steps should be taken to remove the ambiguity which appears at present to surround the question.

ENCLOSURE No. 2.

Dated Manchester, 27th March 1878.

From—THOMAS BROWNING, ESQ., *Secretary, Manchester Chamber of Commerce,*

To—*The Under Secretary of State for India.*

I have the honour to acknowledge receipt of your letter of yesterday, in which the Chamber is informed that Lord Salisbury is not in possession of information more specific as to the particular goods and yarns which in future are to be admitted into India duty-free, than that contained in the telegrams which have appeared in the public press.

I am to state that the Chamber has been informed by telegraph, from Calcutta, that it is the intention of the Government of India to limit the exemption from duty strictly to goods and yarns named in the published reports.

The Directors are of opinion that such a limitation will fail to secure the obvious intention of the Government, and I have been directed to forward to Lord Salisbury the annexed copy of Resolution, passed unanimously at a Meeting of the Board held this morning.

The views contained in the Resolution have been arrived at after careful consideration; and they are respectfully and earnestly commended to the attention of His Lordship, the limitation as it now stands having greatly perplexed both manufacturers and merchants in their operations.

I am further instructed to say, that if it be the desire of Lord Salisbury to have practical evidence in support of the position taken by the Directors in the Resolution, a small deputation from their number will be happy to wait upon him with that object at any time he may appoint.

Resolution passed at a Meeting of the Board of Directors of the Manchester Chamber of Commerce, held on Wednesday, 27th March 1878.

The Directors of the Manchester Chamber of Commerce regard the action of the Government of India, in exempting coarse yarns and goods from import duty as a first step towards the complete abolition of the duties, which they hope soon to see accomplished.

As the Government of India has elected to proceed towards the contemplated end by partial exemption, rather than by affording general relief, with the avowed object of removing the protective incidence of the duties on the particular goods and yarns which the Indian mills, by reason of their natural advantages, are suited to produce, it is obvious that the list of free goods requires to be materially added to.

The exemption is extended, in the first place, to goods containing no yarns finer than 30*s* such as can economically be spun by the Indian mills from Indian-grown cotton; but then a limitation is added, and the only goods which are to be admitted free are T cloths under 18 reeds, jeans, domestics, sheetings, and drills.

Shirtings and longcloths, for instance, although they be made from 30*s* and coarse yarns, such as are spun in India, precisely the same in texture as T cloths, and differing therefrom in width, length, and name only, remain subject to the impost.

In the case of yarns, the objection to the fixed limits of the free list is even stronger; they are 20*s* water and 30*s* mule, whilst, as is well known, a great portion of yarn shipped to India, up to 24*s* water and 40*s* mule, both inclusive, is spun from cotton grown in India.

In view of the foregoing, it is resolved to urge upon Her Majesty's Chief Secretary of State for India the desirableness of simplifying those provisions of the new Indian Budget that affect manufactured cotton, by exempting from duty all goods made from yarns not finer than 30*s*, and all yarns up to 36*s* water and 42*s* mule.

ENCLOSURE No. 3.

Dated 3rd September 1878.

From—The Chairman of the Madras Chamber of Commerce,
To—The Collector of Customs, Madras.

I have the honour to acknowledge receipt of your letter of the 17th ultimo, requesting the opinion of the Chamber on the expediency of exempting all grey cotton piece goods unmixed with foreign substances, not containing yarn finer than 30*s*, and chudders made from 20*s* to 24*s* yarn, from import duty.

In reply, I am desired to inform you that, so far from admitting the expediency of the proposed exemption from duty, the Chamber fail to see any reason for inflicting upon the State a loss of revenue for which no compensation will be obtained. It seems to the Chamber that the present is a most unsuitable time for thinking of sacrificing any of the State's resources under pressure from interested and imperfectly informed foreign manufacturers, and that it would be difficult to find a tax which is felt so little by the people as that upon the fabrics referred to.

The repeal of all import duties might be expedient if the country were in a position to sustain without detriment the sacrifice of revenue; but situated as the finances now are, it is more than ever expedient that financiers should leave well alone. The Chamber would refer to the various reductions which have from time to time been made in the duty on cotton yarns and goods, and would ask whether, in any instance, the manufacturers obtained any benefit thereby. It will be found in all cases that the ultimate effect was to cheapen goods in India by the amount of duty surrendered; and the present complaints of Lancashire manufacturers are sufficient answer to any argument that they have profited by an increased consumption of cheaper goods."

APPENDIX B.

COMMERCIAL AND FINANCIAL STATISTICS.

Commercial and Financial Statistics, 1877-78.

1. The usual comparative statistics will be found in Tables I and II of this Appendix. There is much in them deserving remark. Notwithstanding the Famine, the value of commodities exported to Foreign Countries by sea in 1877-78 exceeded the value of the Imports by the largest sum recorded for many years, and this although the Imports rose to an almost unprecedented figure. The gross trade was the largest ever known excepting during the Cotton Famine which arose out of the American Civil War. Coupled with the Debt incurred, chiefly for the Famine, these excess Exports necessitated immense Imports of Silver and an unprecedented Coinage at the Mints. This, in its turn, sustained the gold price of silver and caused a temporary expansion of the Paper Currency. Still the fall in the gold price of silver was only partially stayed.

LARGE NET EXPORTS. LARGE IMPORTS. LARGE GROSS TRADE. GREAT IMPORTATION OF SILVER AND COINAGE. SILVER STEADY.

2. Among the details of the Sea-borne Trade in 1877-78 the rapid decline in the Export of Cotton Raw but lately at the head of the list deserves attention. It was compensated by largely increased Exports of *Seeds, Rice and Paddy, Jute, Hides and Skins, Indigo, Tea* and *Wheat*. Among Imports *Cotton Goods* tower above all the rest. It is said that the trade of 1877-78 in these goods was unprofitable and that the Indian markets were glutted; however that may be, it is certain that the net Imports of these goods, consisting mainly of the comparatively finer qualities, reached the immense value of £19,030,908—the highest value attained during recent years. None of the other Imports require remarks. Upon the whole the year 1877-78 would appear to have been commercially prosperous.

INFLATION OF PAPER CURRENCY. DECLINE OF COTTON EXPORTS. DEVELOPMENT OF OTHER STAPLES. GREAT IMPORT OF COTTON GOODS.

3. The Column for 1878-79 in Table I of this Appendix shows (1) a great increase in London Bills, the full net current requirements of the Home Treasury having been supplied; (2) a continued fall in the value of silver measured in gold with renewed fluctuations to a perplexing extent; (3) a consequent fall in the value of the Rupee securities, but no fall in the value of the Secretary of State's sterling bonds, excepting at a moment of great pressure for money in London when they sank to the almost unprecedented price of £97 for Four per Cents.; (4) a further fall in the exchange with London; (5) a contraction of the maximum issue of Paper Currency which was inflated last year owing to the vast importations of silver; (6) a gratifying increase of the amount of rupee securities enfaced for payment of interest in London by drafts upon India.

STATISTICS, 1878-79.

4. The statistics of the Sea-borne Trade, Table No. III, show (1) a great decrease compared with last year in the value of commodities (excluding gold and silver) exported; (2) a substantial decrease in the value of the like commodities imported; (3) a vast decrease in the net imports of gold and silver (£1,705,499 against £13,396,232); (4) a great decrease in the whole volume of Trade; (5) a further decrease in the value of *Cotton Raw* exported and a great falling off in the value of *Seeds, Hides, Indigo,* and *Wheat* exported, with an important increase in the value of *Rice and Paddy* exported; (6) a large decrease in the value of the Net Imports of *Cotton Goods* which are lower now than they have been for some years.

SEA-BORNE TRADE, 1878-79.

5. The year 1878-79 has apparently not been commercially prosperous; but on the whole, contemplated in connection with the Famine that has so lately devastated a large part of India, the facts cannot be regarded as altogether discouraging.

NOT A PROSPEROUS YEAR.

APPENDIX B—*continued.*

TABLE I.—MISCELLANEOUS.

	1874-75.	1875-76.	1876-77.	1877-78.	1878-79.	1879-80.
	£	£	£	£	£	£
DEFICIT of recorded Revenue compared with whole recorded Expenditure...	3,930,374	2,601,684	5,992,062	8,334,139	3,299,000	4,895,000
PRODUCTIVE PUBLIC WORKS, Capital Expenditure	4,249,571	4,270,629	3,809,284	4,791,052	4,559,000	3,500,000
Recorded Revenue compared with the recorded Expenditure, excluding Expenditure on Productive Public Works—						
SURPLUS	319,197	1,668,945	...	...	1,300,000	
DEFICIT	...	...	2,182,778	3,543,087		1,395,000
Net Public Debt incurred	8,398,168	4,109,522	4,750,145	7,345,416	4,498,000	4,326,000
NET PUBLIC DEBT incurred, including Capital transactions with Guaranteed Railway and other Companies and Native States, &c.	7,142,200	2,678,851	3,306,595	6,388,606	2,748,000	4,126,000
Value of commodities exported, excluding Gold and Silver	56,359,000	58,091,000	61,014,000	65,210,000		
Value of commodities imported, excluding Gold and Silver	36,222,000	38,887,000	37,428,000	41,464,000		
EXCESS OF EXPORTS OVER IMPORTS, excluding Gold and Silver ...	20,137,000	19,204,000	23,586,000	23,746,000		
Net imports of Gold	1,874,000	1,545,000	207,000	468,000		
Net imports of Silver	4,642,000	1,553,000	7,199,000	14,674,000		
TOTAL NET IMPORTS OF GOLD AND SILVER	6,516,000	3,098,000	7,406,000	15,142,000		
Excess of Exports over Imports, including Gold and Silver	13,621,000	16,106,000	16,180,000	8,604,000		
Grand total value of Imports and Exports of all kinds	102,348,000	104,480,000	113,908,000	126,238,000		
SECRETARY OF STATE'S BILLS sold (Rupees) ... ... Rs.	11,74,37,000	13,75,00,000	14,85,70,000	11,69,85,000	19,05,47,848	18,94,73,680
Sterling equivalent received ... ... £	10,841,600	12,390,000	12,696,000	10,134,000	15,680,000	15,000,000
SILVER coined at the Indian Mints	4,897,000	2,550,000	6,271,000	16,180,000	5,515,138	
Gold coined in Germany	...	12,756,000	2,873,000	7,112,000	4,836,846	
Silver coined in Germany	...	6,602,000	9,523,000	1,669,000	88,498	
Maximum PRICE OF AN OZ. TROY STANDARD SILVER IN LONDON ...	59¼*d.* (25th April)	57⅞*d.* (27th April)	58⅝*d.* (18th Jan.)	55⅝ (8th Oct.)	54¼*d.* (2nd April,)	
Minimum price of an oz. troy standard silver in London	57*d.* (9th March)	52½*d.* (22nd March)	47*d.* (7th July)	53½ (21st June.)	48½*d.* (21st Dec.)	
Maximum price of a sovereign in Calcutta ... ... Rs.	10 12 0	11 12 0	13 (7th July)	11 14 0 (5th Sept.)	12 8 (Nov. and Feb.)	
Minimum ditto ... ... „	10 9 0	11	11 Rs. 3as. (6th Feb.)	11 4 0 (10th April.)	11 11 (11th June.)	
AVERAGE EXCHANGE upon Secretary of State's Bills sold per rupee £	1*s.* 10·22*d.*	1*s.* 9·64*d.*	1*s.* 8·49*d.*	1*s.* 8·79*d.*	1*s.* 7⅛*d.*	1*s.* 7*d.*
Fixed RATE OF EXCHANGE for the ADJUSTMENT of transactions between the Indian and Imperial Treasuries	1*s.* 10*d.*	1*s.* 10⅛*d.*	1*s.* 9 3/32*d.*	1*s.* 9⅛*d.*	1*s.* 9*d.*	1*s.* 7⅛*d.*
Maximum RATE OF DISCOUNT ON LOANS on demand at the BANK OF BENGAL, Calcutta	11 (11th April)	9 (May)	11 (April)	12 (May.)	9 (1st April.)	
Minimum ditto	3½ (July to Nov.)	4 (Nov. and Dec.)	5 [Aug. and Sept.	(Dec. and Jan).	3 (7th Nov.)	
Maximum RATE OF DISCOUNT at THE BANK OF ENGLAND	6 (Dec.)	4 (Oct. and Jan.)		5 (Oct. and Nov.)	6 Oct. and Nov.)	
Minimum ditto	2½ (July)	2 (Aug.)	2 throughout the year.	2 quently).	2½ (30th May.)	
Maximum MONEY BALANCES of the three PRESIDENCY BANKS ...	6,927,800 (July)	7,041,800 (July)	6,382,700 (July)	7,574,900 (Jan.)	6,589,300 (Jan.)	
Minimum ditto	4,359,200 (May)	4,762,300 (May)	4,132,500 (Oct.)	3,672,200 (April.)	4,978,500 (July.)	
Maximum price in Calcutta of Govt. FOUR PER CENT. RUPEE SECURITIES ...	104⅜ (5th July)	102⅞ (3rd June)	102⅜ (25th July)	98¼ (27th June.)	97 (July & Aug.)	
Minimum ditto	101½ (25th March)	99 (21st March)	96¼ (13th Jan.)	92 (8th Sept.)	93¼ (4th April.)	
Maximum amount outstanding on London Register, of RUPEE SECURITIES ENFACED FOR INTEREST DRAFTS	14,214,617 (Nov.)	14,407,861 (Oct.)	14,125,982 (April)	14,588,744	15,660,173 (Feby.)	
Minimum ditto	13,098,988 (May)	14,111,441 (April)	12,655,322 (Dec)	13,057,964	13,826,493 (Oct.)	
Maximum price in London of such securities (in Gold)	98	93½ (7th April)	92 (15th Dec.)	84½ (5th April.)	81¾ (1st April.)	
Minimum ditto	93½	82 (4th March)	77 (6th July)	81¼ (23rd Jan.)	72 (23rd Oct.)	
Maximum price in London of Secretary of State's FOUR PER CENT. STERLING BONDS	104⅞ (Feb.)	106¼ (5th Aug.)	104¾ (22nd Feb.)	104⅛ (30th Aug.)	104½ (July & Aug.)	
Minimum ditto	100½ (April)	102¾ (3rd June)	101 (20th Oct.)	100½ (21st Mar.)	97 (Oct.)	
Maximum GOVERNMENT PAPER CURRENCY outstanding	11,327,607 (7th Feb.)	12,161,224 (22nd Oct.)	12,551,185 (7th Feb.)	15,757,79 (15th Jan.)	14,584,900 (Sept.)	
Minimum ditto	9,221,438 (7th April)	10,668,628 (7th May)	10,532,294 (15th May)	11,130,528 (30th April.)	12,137,900 (Feby.)	
Number of MONEY ORDER OFFICES	295	301	306	309	319	
Number of Money Orders issued	242,001	231,907	235,769	259,680	251,200	
Amount of Money Orders issued	1,016,746	912,662	968,467	984,728	932,780	
Average amount of each Order ... ... Rs.	42-0-3	39-5-7	41-1-3	37-14-8	37-2-2	
Number of SAVINGS BANKS	326	330	340	343	346	
Number of Depositors in Savings Banks	67,316	75,401	80,004	83,518	85,200	
Amount deposited in Savings Banks	1,750,326	1,901,278	1,966,604	1,956,157	1,986,500	
Average of each Deposit	26	26	24	23	23	
Net addition to Deposits	9,936	150,952	65,326	10,447 (Decrease.)	30,343	

APPENDIX B—*continued.*

Commercial and Financial Statistics.

TABLE II.—SEA-BORNE TRADE FOR THE YEAR (PRINCIPAL ARTICLES ARRANGED IN ORDER OF THEIR DECLARED VALUE).

No.	EXPORTS.		1874-75.	1875-76.	1876-77.	1877-78.
1	OPIUM ...	Quantity ... ... Chests	94,746	88,350	96,870	92,820
		Value ... ... £	11,956,972	11,148,426	12,404,748	12,374,355
		Average declared value per chest, in rupees Rs.	1,262	1,261	1,281	1,333
2	COTTON —					
	Raw ...	Quantity ... ... Cwts.	5,600,086	5,009,788	4,557,914	3,459,077
		Value ... ... £	15,257,342	13,278,964	11,746,184	9,383,534
		Average declared value of a lb. Annas	As. 3/11	As. 3/9	As. 3/8	As. 3/10
		Pence, at average exchange ...	5·40	5·13	4·71	4·98
	Twist and Yarn ...	Quantity ... ... lbs.	2,834,725	6,228,511	7,926,710	15,600,291
		Value ... ... £	147,562	266,951	367,303	682,059
		Average declared value per lb. ... annas	As. 8/4	As. 6/10	As. 7/5	As. 7
		Other manufactures—Value ... £	364,812	396,472	445,079	460,674
		Average declared value in annas; per yard Grey or unbleached annas	...	As. 2/6	As. 2/6	As. 2/3
		Colored, printed, or dyed „	...	As. 4/9	As. 5/3	As. 4/10
		Percentage of manufactures on whole value exported	3·25	4·76	6·47	10·85
3	SEEDS ...	Quantity ... ... Cwts.	6,074,756	10,506,822	9,582,865	12,187,020
		Value ... ... £	3,235,950	5,461,982	5,319,124	7,360,284
		Average declared value of linseed per cwt. ... Rupees	5 0 0	5 4 6	5 5 11	5 13 10
		Shillings, at average exchange	9·27	9·52	9·17	10·16
4	RICE AND PADDY.	Quantity ... ... Cwts.	17,392,938	20,416,032	19,914,334	18,428,386
		Value ... ... £	4,765,334	5,311,095	5,815,221	6,950,276
		Average declared value of husked rice per cwt. Rupees	2 0 10	2 2 3	2 15 1	3 12 6
		Shillings, at average exchange	5·11	4·70	5·02	6·55
5	JUTE ...	Raw and manufactured—Value ... £	3,485,522	3,294,521	3,356,124	4,6289,241
		Average declared value of a cwt. raw jute ... Rupees	5 14 7	5 6 2	5 13 1	7 3
		Shillings, at average exchange	10·94	9·72	9·94	11·18
		Percentage of manufactures on whole value exported	6·85	14·85	21·43	17·97
6	HIDES AND SKINS.	Quantity ... ... Nos.	18,162,851	19,433,332	19,792,877	22,916,317
		Value ... ... £	2,677,767	2,943,575	2,998,684	3,756,888
		Percentage of dressed or manufactured to whole value	18·87	40·44	49·77	48·29
7	INDIGO ...	Quantity ... ... Cwts.	81,466	110,392	100,384	120·605
		Value ... ... £	2,576,302	2,875,062	2,962,785	3,494,334
		Average declared value per cwt. Rupees... ...	316 · 3 10	260 7 0	295 2 4	289 11 9
		Sterling, at average exchange £	29·27	23·48	25·19	25·09
8	TEA ...	Quantity ... ... lbs.	21,137,087	24,361,599	27,784,124	33,459,075
		Value ... ... £	1,937,429	2,166,417	2,607,425	3,044,571
		Average declared value per lb. Annas...	As. 14/8	As. 14/3	As. 15/0	As. 14/6
		Shillings, at average exchange	1·70	1·60	1·60	1·57
9	WHEAT ...	Quantity ... ... Cwts.	1,069,076	2,498,185	5,583,336	6,340,150
		Value ... ... £	490,435	901,026	1,956,332	2,856,990
		Average declared value per cwt. Rupees	4 9 5	3 9 8	3 8 0	4 8 1
		Shillings, at average exchange...	8·50	6·51	5·98	7·80
10	COFFEE ...	Quantity ... ... Cwts.	311,831	371,986	302,489	297,327
		Value ... ... £	1,305,335	1,627,027	1,345,822	1,338,499
		Average declared value per cwt. Rupees	41 13 9	43 11 10	44 7 10	45 0 3
		Shillings, at average exchange...	77·51	78·88	75·97	77·98
11	WOOL ...	Raw and manufactures—Value ... £	1,159,086	1,295,193	1,293,490	1,151,518
		Average declared value of raw wool per lb.... Annas	As. 7/2	As. 7/4	As. 7/2	As. 6/6
		Pence, at average exchange ...	9·99	9·95	9·22	8·44
12	SILK ...	Raw and manufactures—Value ... £	998,450	656,728	1,000,566	854,629
		Average declared value of raw silk per lb. ... Rupees	4 10 1	3 2 9	5 7 8	4 10 5
		Shillings, at average exchange...	8·57	5·72	9·25	8·06
13	SUGAR ...	Value ... ... £	319,238	253,937	925,196	745,851
14	TEAK WOOD ...	Quantity ... ... Cubic tons	42,868	60,612	45,108	56,939
		Value ... ... £	328,564	440,618	332,764	406,652
		Average declared value per cubic ton ... Rupees...	76 10 4	72 11 1	73 12 4	71 6 8
		Sterling, at average exchange £	7·09	6·83	6·29	6·19
15	SALTPETRE ...	Quantity ... ... Cwts.	553,330	415,080	466,218	389,002
		Value .. .. £	501,468	348,949	381,706	379,002
		Average declared value per cwt. Rupees	9 1 0	8 6 7	8 3 0	9 11 11
		Shillings, at average exchange...	16·78	15·16	13·96	16·88
16	LAC ...	Value ... ... £	254,011	755,747	536,976	362,048

APPENDIX B—*continued.*

Commercial and Financial Statistics.

TABLE II.—SEA-BORNE TRADE FOR THE YEAR,—*continued.*

No.	IMPORTS.		1874-75.	1875-76.	1876-77.	1877-78.
	COTTON—					
1	Twist and Yarn ...	Quantity ... ... lbs.	37,097,260	31,927,340	33,270,208	36,196,661
		Value ... ... £	3,157,780	2,794,769	2,733,535	2,850,616
		Average declared value per lb. ... annas	...	14·00	13·14	12·60
		" " " pence at average exchange	...	1*s.* 6·93*d.*	1*s.* 4·83*d.*	1*s.* 4·37*d.*
*	Other manufactures.	Value ... ... £	16,263,560	16,463,875	16,012,932	17,332,639
	TOTAL COTTON GOODS ... ... £		19,421,340	19,258,644	18,746,467	20,183,255
	Re-exports—					
	Cotton (Foreign Merchandise)—					
	Twist and Yarn ...	*Quantity ... ... lbs.*	*781,220*	*792,668*	*839,539*	*934,437*
		Value ... ... £	*56,249*	*57,424*	*58,423*	*62,733*
	Other manufactures ...	*Value ... ... £*	*1,061,727*	*984,105*	*1,064,392*	*1,089,614*
	Total Re-exports		*1,117,976*	*1,041,529*	*1,122,815*	*1,152,347*
	TOTAL COTTON GOODS.—Net Imports		18,303,364	18,217,115	17,623,652	19,030,908
2	RAILWAY PLANT AND ROLLING-STOCK	Value £	780,867	1,079,105	1,194,145	1,727,560
3	METALS	" "	2,607,122	3,310,452	3,721,007	3,736,958
4	LIQUORS	" "	1,636,568	1,702,197	1,585,345	1,683,655
5	SILK, Raw and Manufactured	" "	1,583,405	1,404,235	1,037,957	1,485,550
6	COAL (excluding coke and patent fuel) ...	Quantity ... ... tons	360,252	388,480	523,384	603,731
		Value ... ... £	685,720	647,562	918,309	1,004,942
		Average declared value per ton, in rupees ...	19·03	16·67	17·54	16·64
		" in shillings at average exchange	34·94	31·01	30·34	28·83
7	WOOLLEN MANUFACTURES	Value £	557,585	1,119,274	911,890	955,142
8	MACHINERY AND MILL-WORK	" "	1,185,943	1,439,921	963,504	873,960
9	PROVISIONS	" "	363,727	717,234	664,938	861,116
10	SUGAR	" "	516,564	895,929	403,607	798·036
11	APPAREL	" "	620,456	634,256	542,860	579,106
12	SPICES	" "	179,126	395,988	432,991	488,884
13	SALT ...	Quantity ... ... tons	277,085	365,254	298,776	254,231
		Value ... ... £	755,771	601,146	430,895	401,366
		Average declared value per ton, in rupees ...	27·28	16·45	14·42	15·78
		" in shillings at average exchange	50·51	29·66	24·62	27·35

TABLE III.—SEA-BORNE TRADE FOR THE FIRST TEN MONTHS (PRINCIPAL ARTICLES ARRANGED IN ORDER OF THEIR DECLARED VALUE).

	1875-76.	1876-77.	1877-78.	1878-79.
	£	£	£	£
Value of commodities exported, excluding gold and silver	46,309,370	48,265,519	52,210,342	47,823,446
Value of commodities imported, excluding gold and silver	30,830,219	30,408,746	34,457,474	32,389,391
Excess exports	15,479,151	17,856,773	17,752,868	15,434,055
Net imports of silver	966,336	5,628,814	13,117,467	2,187,577
Net imports of gold	1,486,222	— 410,234	278,765	—482,078
Total net imports of gold and silver	2,452,558	5,218,580	13,396,232	1,705,499
GRAND TOTAL IMPORTS AND EXPORTS OF ALL KINDS	83,124,766	91,365,735	104,112,057	88,055,848

APPENDIX B—*continued.*

Commercial and Financial Statistics.

TABLE III.—SEA-BORNE TRADE FOR THE FIRST TEN MONTHS,—*continued.*

No.	EXPORTS.		TEN MONTHS, 1st APRIL TO 31st JANUARY.			
			1875-76.	1876-77.	1877-78.	1878-79.
1	OPIUM ... Quantity	Chests	73,095	81,613	77,387	76,165
	Value	£	9,186,788	10,490,687	10,264,066	10,917,614
	Average value per chest	Rs.	1,256-13-3	1,285-6-8	1,326-5-3	1,433-6-8
2	COTTON, RAW Quantity	Cwts.	4,295,871	3,561,477	2,585,377	2,282,487
	Value	£	11,476,987	8,968,014	6,949,554	6,151,372
	Average value per lb.	Rs.	0-3-9	0-3-7	0-3-10	0-3-10
	MANUFACTURES—					
	Twist and Yarn Quantity	lb.	4,587,225	6,817,270	12,779,989	18,307,631
	Value	£	196,768	316,636	558,913	767,675
	Average value per lb.	Rs.	0-6-10	0-7-5	0-6-11	0-6-8
	Other manufactures—Value	£	326,201	375,860	392,895	431,844
	TOTAL COTTON (RAW AND MANUFACTURED)		11,999,956	9,660,510	7,901,362	7,350,891
3	RICE AND PADDY. Quantity	Cwts.	13,045,994	11,658,224	10,186,650	12,420,554
	Value	£	3,549,719	3,397,812	4,017,310	5,699,274
	Average value per cwt.	Rs.	2-11-6	2-14-8	3-15-1	4-9-5
4	SEEDS ... Quantity	Cwts.	8,514,379	8,559,142	11,239,493	6,357,841
	Value	£	4,414,548	4,688,529	6,758,930	4,089,485
	Average value per cwt.	Rs.	5-2-11	5-7-8	6-0-2	6-6-11
5	JUTE (Raw and Manufactured)—Value	£	2,639,630	2,895,432	3,679,332	4,076,573
6	TEA ... Quantity	lb.	21,254,915	25,186,248	30,306,610	30,694,154
	Value	£	1,899,961	2,361,799	2,770,735	2,808,457
	Average value per lb.	Rs.	0-14-4	0-15-0	0-14-7	0-14-8
7	HIDES AND SKINS. Quantity	Cwts.	534,504	495,367	709,852	630,278
	Value	£	2,378,801	2,309,783	2,990,696	2,455,043
	Average value per cwt.	Rs.	44-8-1	46-10-0	42-2-1	38-15-2
8	INDIGO ... Quantity	Cwts.	78,004	83,443	90,577	64,504
	Value	£	2,037,990	2,450,385	2,632,728	1,767,026
	Average value per cwt.	Rs.	261-4-3	293-10-7	290-10-7	273-15-0
9	WOOL (Raw and Manufactured)—Value	£	1,061,452	1,079,667	939,198	1,049,930
10	COFFEE ... Quantity	Cwts.	164,692	168,552	191,693	201,626
	Value	£	662,275	722,544	846,358	885,939
	Average value per cwt.	Rs.	40-3-5	42-13-11	44-2-5	43-15-0
11	SILK (Raw and Manufactured)—Value	£	531,870	801,388	766,098	607,139
12	WHEAT ... Quantity	Cwts.	2,155,626	4,839,290	6,206,669	1,035,857
	Value	£	775,554	1,673,400	2,790,304	508,125
	Average value per cwt.	Rs.	3-9-6	3-7-4	4-7-11	4-14-6
13	SALTPETRE ... Quantity	Cwts.	300,501	369,887	311,682	311,091
	Value	£	254,955	302,734	304,068	296,222
	Average value per cwt.	Rs.	8-7-9	8-2-11	9-12-1	9-8-4
14	TEAK ... Quantity	C. tons	48,776	35,771	44,153	34,116
	Value	£	356,332	263,504	311,678	247,752
	Average value per ton	Rs.	73-0-11	73-10-8	70-2-9	72-9-11
15	LAC	£	593,588	425,327	299,599	234,712
16	SUGAR	£	94,465	425,940	447,616	184,724

APPENDIX B—*continued.*

Commercial and Financial Statistics.

TABLE III.—SEA-BORNE TRADE FOR THE FIRST TEN MONTHS—*concluded.*

No.	IMPORTS.	TEN MONTHS, 1st APRIL TO 31st JANUARY.			
		1875-76.	1876-77.	1877-78.	1878-79.
1	COTTON—				
	Twist and yarn ... Quantity ... ... lbs.	25,923,585	26,724,669	30,872,371	29,736,857
	Twist and yarn ... Value ... ... £	2,286,139	2,230,376	2,425,336	2,479,970
	Twist and yarn ... Average value per lb. ... Rs.	0-14-1	0-13-4	0-12-7	0-13-4
	Ditto in sterling average exchange ...	1*s.* 7*d.*	1*s.* 5*d.*	1*s.* 4½*d.*	1*s.* 4½*d.*
	Other manufactures ... Value ... ... £	13,097,382	13,056,417	14,512,524	12,274,522
	TOTAL COTTON GOODS ...	15,383,521	15,286,793	16,937,860	14,754,492
	Re-exported—				
	Twist and Yarn ... Quantity ... ... lbs.	*701,646*	*614,051*	*736,160*	*651,373*
	Twist and Yarn ... Value ... ... £	*50,656*	*43,119*	*49,811*	*44,508*
	Twist and Yarn ... Average value per lb. ... Rs.	*0-11-7*	*0-11-3*	*0-10-10*	*0-10-11*
	Other manufactures of—Value ... ... £	*819,803*	*859,708*	*875,357*	*966,712*
	Total Re-exports	*870,459*	*902,827*	*925,168*	*1,011,220*
	TOTAL COTTON GOODS—Net Imports	14,513,062	14,383,966	16,012,692	13,743,272
2	METALS	2,533,767	2,893,993	3,008,118	2,917,565
3	SILK (Raw and Manufactured)	1,126,453	831,428	1,271,782	1,313,506
4	RAILWAY PLANT AND ROLLING-STOCK	931,228	1,013,812	1,227,159	1,249,238
5	SUGAR	618,833	349,806	657,043	1,137,030
6	LIQUORS	1,194,828	1,286,521	1,431,367	1,113,119
7	WOOLLEN MANUFACTURES	856,225	823,119	849,529	846,254
8	PROVISIONS	560,436	539,059	716,939	814,654
9	MACHINERY AND MILL-WORK	1,243,685	803,705	724,078	781,963
10	COAL (excluding Coke and Patent Fuel)— Quantity ... ... Tons	262,999	347,716	469,270	377,980
	COAL (excluding Coke and Patent Fuel)— Value ... ... £	428,858	643,794	764,610	709,009
	COAL (excluding Coke and Patent Fuel)— Average value per ton ... ... Rs.	16-4-10	18-8-2	16-4-8	18-12-1
	SALT ... Quantity ... ... Tons	302,897	255,504	217,202	223,565
11	SALT ... Value ... ... £	505,238	363,684	324,628	477,384
	SALT ... Average value per ton ... ... Rs.	16-10-10	14-3-9	14-15-1	21-5-7
12	APPAREL	548,970	460,767	491,306	464,159
13	SPICES	315,656	367,877	389,649	430,862

TABLE IV.—WHOLESALE PRICES OF TYPICAL COMMODITIES IN GOLD AND SILVER IN LONDON AND CALCUTTA, IN DECEMBER OF EACH YEAR.

(*Prices of March 1873 = 100.*)

IN LONDON—(*Prices quoted from the* LONDON ECONOMIST.)	MEASURED IN GOLD.						MEASURED IN SILVER.*					
	1873.	1874.	1875.	1876.	1877.	1878.	1873.	1874.	1875.	1876.	1877.	18
Scotch Pig Iron (Warrants)	91	68	54	49	43	36	95	71	58	51	48	44
Coals, Hetton, Wallsend (London) ...	94	90	75	57	55	60	97	94	79	59	61	72
Copper, Chilli Bars	93	93	92	85	74	64	96	97	98	90	82	77
Straits Tin	79	65	56	52	45	42	82	67	60	54	50	50
Wheat	112	81	83	91	94	72	115	84	88	96	104	87
Flour, town-made	111	82	90	82	98	69	114	85	96	86	109	83
Beef, inferior	125	110	128	98	85	90	129	115	136	102	94	108
Cotton, No. 40, Mule Twist	95	83	86	80	71	61	97	88	91	84	78	73
Wool, Southdown Hogs	96	89	85	80	76	65	99	93	91	85	84	78
Sugar, Foreign Muscovada	92	87	77	113	74	80	95	91	82	119	82	96
Coffee	124	97	105	101	98	73	128	101	111	106	109	88
Pepper	106	95	78	69	63	N.	109	100	83	73	70	N.
Saltpetre	86	80	83	87	98	89	86	82	88	92	109	108
Gold	...	...	...	...	...	...	103	104	106	105	111	120
Silver	97	96	94	95	90	83	...	...	...	...	...	...
IN CALCUTTA—(*Prices quoted from the* CALCUTTA PRICE CURRENT.)												
Grey Shirtings (8¼ lbs.)							93	84	84	78	73	74
Mule Twist, white, good. No. 40							96	91	87	87	75	75
„ „ Turkey red, No. 40 (12 lbs.)							115	104	94	85	85	78
„ „ orange, No. 40—60							107	93	87	90	83	73
Copper, Sheathing							102	100	102	93	83	80
Iron, flat, bolt, bar and square							115	89	78	68	60	56
Spelter, hard							114	118	148	143	130	107
Hides, buffalo, slaughtered							92	88	75	104	75	69
Indigo, good							110	*Nil.*	90	110	86	100
Jute, picked							144	137	125	150	147	153
Lacdye, fine							87	60	55	69	58	54
Shell Lac, fine orange							129	183	119	68	49	56
Linseed, fine bold clean							111	110	92	102	106	N.
Rice, Ballam							165	153	135	159	168	259
Silk, raw, Cossimbazar							80	58	40	98	80	69
Sugar, Benares							94	87	87	88	*Nil.*	...
Tea, Good Souchong							114	123	104	123	100	77
Wheat, Doodiah							115	96	78	96	104	109
Gold							102	100	102	103	105	109

* The values measured in silver in London have been calculated from the values in gold on the basis of the price of standard silver in London.

APPENDIX B—*continued.*

Commercial and Financial Statistics.

TABLE V.—STATEMENT SHOWING THE TRUE FINANCIAL RESULTS TO THE REVENUES OF INDIA OF THE GUARANTEE OF INTEREST UPON THE CAPITAL OF THE GUARANTEED RAILWAY COMPANIES.

	1873-74.	1874-75.	1875-76.	1876-77.	1877-78.	1878-79. Original Estimates.	1878-79. Regular Estimates.	1879-80. *Estimates.
	£	£	£	£	£	£	£	£
Gross Earnings	8,315,226	8,924,009	8,959,235	10,874,775	13,294,397	11,200,000	11,380,000	11,175,000
Working Expenses	4,691,180	4,736,034	4,678,551	5,760,642	6,632,743	5,827,500	6,100,000	5,895,000
Percentage of Working Expenses on Earnings	56·41	53·07	52·22	52·97	49·89	52·3	53·60	52·75
Net Traffic Earnings	3,624,046	4,187,975	4,280,684	5,114,133	6,661,654	5,372,500	5,280,000	5,280,000
Net gain by the remittance to England of Capital receipts and disbursements in India at the contract rates of Exchange instead of at the average yearly rate obtained for the Secretary of State's Bills	39,249	67,906	17,426	...	...	...	...	...
Total Revenue ...	3,663,295	4,255,881	4,298,110	5,114,133	6,661,654	5,372,500	5,280,000	5,280,000
Gross Guaranteed Interest—								
Paid in India	39,191	36,799	33,414	23,736	21,354	19,600	17,400	16,400
Paid in London* ...	4,581,548	4,609,772	4,606,903	4,636,768	4,635,491	4,699,000	4,689,000	4,745,000
Total Guaranteed Interest (Sterling payments converted at the average exchange of the year) ...	4,959,704	5,015,537	5,141,518	5,454,814	5,374,115	5,546,500	5,711,000	6,011,300
Surplus paid to Railway Companies	91,501	427,561	227,251	296,028	799,609	642,000	936,200	768,500
Land and Supervision	152,438	55,394	83,313	51,633	66,420	81,000	71,800	75,700
Interest on Revenue Balances ...	26,934	35,643	34,970	34,936	11,687	2,000	1,500	1,600
Net loss on Receipts and Disbursements of Capital in India calculated in the same way as the gain	...	...	...	29,161	15,967	7,450	49,900	14,500
Total Expenditure ...	5,230,577	5,534,135	5,487,052	5,866,572	6,267,798	6,278,950	6,770,400	6,871,600
Net Expenditure from the Public Treasury	1,567,282	1,278,254	1,188,942	752,439	...	906,450	1,490,400	1,591,600
Net Revenue	...	...	...	...	393,856	...	...	...

* With the exception of the figures in this line, which are true sterling figures, all the amounts in this Table are in Rupees converted into the conventional sterling of the Accounts by the removal of one digit to the right.

APPENDIX B—(*continued.*)

Commercial and Financial Statistics.

TABLE VI.—STATEMENT SHOWING THE TRUE FINANCIAL RESULT TO THE REVENUES OF INDIA OF THE GUARANTEE OF INTEREST ON THE CAPITAL OF THE MADRAS IRRIGATION AND CANAL COMPANY.

	1873-74.	1874-75.	1875-76.	1876-77.	1877-78.	1877-78.		1878-79.		1879-80.
						Original Estimates.	Regular Estimates.	Original Estimates.	Regular Estimate.	Estimates.
	£	£	£	£	£	£	£	£	£	£
Gross Earnings	5,053	7,178	7,141	10,323	11,529	12,500	27,000	10,000	24,400	14,000
Working Expenses	16,655	12,705	24,906	13,552	20,279	11,800	38,500	17,000	8,000	12,500
Percentage of Working Expenses on Earnings	329·60	176·99	348·77	131·27	175·89	94·4	142·59	170·00	32·79	89·28
Gain by Exchage on Capital Account	...	...	...	...	...	...	...	2,000	...	...
Deficit	11,602	5,527	17,765	3,229	8,750	...	11,500	5,000	...	...
Net Earnings	...	...	...	...		700	...	...	16,400	1,500
Guaranteed Interest paid in London*	49,983	49,983	49,983	49,983	49,983	50,000	50,000	50,000	50,000	50,000
Guaranteed Interest in rupees converted at average exchange of the year	53,687	53,977	55,413	58,528	57,717	57,717	57,717	60,500	60,700	63,200
Land and Supervision ...	...	...	...	...	352	...	...	...	...	...
Loss by Exchange on Capital Account	...	67	...	...	92	...	...	...	...	...
Net Cost to the Public Treasury	65,289	59,571	73,178	61,757	66,911	57,017	69,217	67,500	44,300	61,700

* With the exception of the figures in this line, which are true sterling figures, all the amounts in this table are in Rupees converted into the conventional sterling of the Accounts by the removal of one digit to the right.

APPENDIX B—*continued.*

Commercial and Financial Statistics.

TABLE VII.

Actual Capital Expenditure on PRODUCTIVE PUBLIC WORKS, (Railways) in 1877-78, and Estimated Expenditure on such Railways in 1878-79, 1879-80, and to the end of 1879-80.

	1877-78, Accounts.	1878-79, Estimates.	1879-80, Estimates.	To end of 1879-80	Sanctioned Estimates.	Balance remaining to be spent.
	£	£	£	£	£	£
Punjab Northern ...	301,852	298,000	407,000	3,404,000	3,664,378	260,378
Indus Valley	1,282,691	883,000	273,000	6,126,000	7,180,000	1,054,000
Northern Bengal(*a*) ...	433,736	361,000	65,000	1,987,000	1,906,811	...
Tirhoot	89,568	23,000	25,000	488,000	600,149	112,149
Rajputana(*b*)	150,302	212,000	90,000	3,058,000	3,053,692	...
Western Rajputana ...	180,430	646,000	386,000	1,209,000	1,830,000	621,000
Nimach	208,405	239,000	300,000	1,482,000	2,750,000	1,268,000
Sindia	174,048	244,000	141,000	689,000	874,529	185,529
Wardha Valley	19,380	24,000	15,000	516,000	540,912	24,912
Nagpur and Chattisghar ...	3,434	120,000	200,000	331,000	746,800	415,800
Rangoon and Irrawaddy ...	245,178	132,000	35,000	1,250,000	1,261,292	11,292
Dhond and Manmad ...	543,525	370,000	166,000	1,083,000	1,350,000	267,000
Patna and Gya... ...	1,878	257,000	35,000	293,000	307,467	14,467
Holkar	71,920	—52,000	34,000	1,262,000	1,410,440	148,440
Cawnpore and Farakhabad ...	...	95,000	150,000	245,000	322,302	77,302
Nalhati	...	8,000	...	35,000	30,000	...
Fluctuations in Store Balances	+278,621	—408,000	+60,000	301,000	...	...
Reserve	...	...	43,000	43,000	...	...
TOTAL ...	3,984,968	3,452,000	2,425,000	23,802,000	27,828,772	4,460,269

(*a*). The outlay in excess of sanction will only take place if a supplemental estimate is sanctioned

(*b*). Additional Estimates will be submitted for the purchase of extra Rolling Stock required,

APPENDIX B—*continued.*

Commercial and Financial Statistics.

TABLE VIII.

Actual Capital Expenditure on Productive Public Works of Irrigation, &c., in 1877-78, and Estimated Expenditure on such Works in 1878-79, 1879-80, and to the end of 1879-80, &c.

	1877-78, Accounts.	1878-79, Estimates.	1879-80, Estimates.	To end of 1879-80.	Estimated cost.	Balance of sanctioned outlay remaining to be spent.
	£	£	£	£	£	£
Orissa	46,614	66,000	95,000	1,936,000	1,931,000	...
Midnapore	21,689	24,000	13,000	742,000	768,000	26,000
Soane	169,132	185,000	127,000	2,218,000	2,736,000	518,000
Ganges	82,981	76,000	77,000	(*a*)722,000	859,000	137,000
Agra	14,863	9,000	8,000	785,000	786,000	1,000
Lower Ganges	175,198	145,000	170,000	1,561,000	2,494,000	933,000
Western Jumna ...	86,387	96,000	98,000	(*b*)464,000	722,000	258,000
Bari Doab	14,324	14,000	12,000	(*c*)377,000	509,000	132,000
Sirhind	114,727	125,000	132,000	(*d*)1,232,000	(*e*)1,795,000	563,000
Swat River	18,617	40,000	46,000	116,000	167,000	51,000
Godavery Works ...	25,085	30,000	29,000	(*f*)323,000	364,000	41,000
Kistna	5,425	26,000	39,000	174,000	(*g*)671,000	497,000
Strivignuntum	1,291	2,000	1,000	120,000	(*h*)120,000	...
Bigari	6,301	12,000	12,000	133,000	159,000	26,000
Hathmati	1,793	1,000	1,000	50,000	50,000	...
Lower Panjhra	46	1,000	1,000	35,000	35,000	...
Palkhed	63	1,000	1,000	21,000	21,000	...
Lakh	23	1,000	1,000	35,000	36,000	1,000
Mutha	19,494	23,000	13,000	556,000	544,000	...
Ekruk	1,292	2,000	1,000	119,000	(*i*)118,000	...
Nira	...	19,000	...	(*j*)54,000	398,000	344,000
Madras Harbour Works ...	...	244,000	85,000	329,000	628,000	299,000
Special Reserve, Bombay ...	...	...	43,000	43,000	...	...
Outlay on Works erroneously classed as Productive ...	768	...	...	696,000	210,000	...
Deduct Ordinary outlay on Productive Public Works	...	—5,000	—10,000	—222,000	...	...
Reserve	...	10,000	80,000	90,000	...	...
TOTAL ...	806,113	1,147,000	1,075,000	12,709,000	16,131,000	3,827,000

(*a*.) Exclusive of £2,366,000, amount of outlay against sanctions that have expired.
(*b*.) Exclusive of £301,000, amount of outlay against sanctions that have expired.
(*c*.) Exclusive of £1,134,000, amount of outlay against sanctions that have expired, and £54,000, expenditure on the Madhopur Workshops.
(*d*.) Exclusive of £814,000, outlay from contributions by Native States.
(*e*.) Exclusive of £1,062,000, share of estimate debitable to Native States.
(*f*.) Exclusive of £523,000, amount of outlay against sanctions that have expired.
(*g*.) Represents amount of estimate before the Government of India, plus amount of estimate for Establishment and Tools and Plant also before the Government of India.
(*h*.) Represents amount of current sanctions shown in Budget-estimate for 1879-80 plus Rs. 77,411, estimate for Establishment and Tools and Plant now before the Government of India.
(*i*.) Revised estimate under preparation.
(*j*.) The work was commenced as a Famine Relief Work from Extraordinary Funds, but stopped last September, pending sanction to it as a Productive Public Work, now under consideration in the Financial Department.

TABLE IX.

GROSS EARNINGS, WORKING EXPENSES AND NET TRAFFIC EARNINGS OF STATE RAILWAYS TO END OF 1877-78, WITH REGULAR ESTIMATES FOR 1878-79, AND BUDGET ESTIMATES FOR 1879-80.

Railways.	Actuals.					Regular Estimates, 1878-79.	Budget Estimates, 1879-80.
	1873-74.	1874-75.	1875-76.	1876-77.	1877-78.		
Gross Earnings.	£	£	£	£	£	£	£
Rajputana	20,936	93,818	203,102	239,349	261,434	325,000	338,500
Holkar and Nimach	790	16,702	38,349	39,273	62,666	100,000	112,500
Punjab Northern	...	...	22,657	50,154	76,412	115,000	111,000
Indus Valley	...	...	...	...	...	95,000	206,000
Wardah Coal	...	2,112	2,936	3,686	10,639	13,000	53,000
Rangoon and Irrawaddy Valley ...	...	...	...	...	62,876	106,000	1,35,000
Dhond and Manmad	...	...	...	...	...	23,000	47,400
Sindia	...	...	...	...	1,319	10,000	20,000
Patna and Gya	...	...	...	...	...	...	12,500
Calcutta and South-Eastern ...	9,833	9,861	10,486	9,775	12,616	13,000	11,700
Nalhati	8,355	8,492	7,178	8,098	9,130	8,900	8,400
Tirhoot	...	...	4,805	21,358	34,324	44,000	45,500
Northern Bengal	...	...	...	...	17,111	107,500	123,000
Hatras-Mathura	...	...	...	8,977	9,364	10,000	10,300
	39,914	130,985	289,513	380,670	557,891	970,400	1,234,800
Working Expenses.							
Rajputana	20,795	57,836	119,639	159,081	184,830	200,000	218,500
Holkar and Nimach	490	11,078	35,715	39,047	39,319	70,000	80,000
Punjab Northern	...	...	13,738	45,958	70,499	108,000	90,000
Indus Valley	...	...	...	...	...	110,000	173,000
Wardah Coal	...	2,403	3,149	3,658	7,044	12,000	33,000
Rangoon and Irrawaddy Valley ...	...	...	...	...	59,994	95,000	90,000
Dhond and Manmad	...	...	...	...	...	28,000	47,400
Sindia	...	...	...	...	2,137	11,500	18,000
Patna and Gya	...	...	...	...	...	...	10,000
Calcutta and South-Eastern ...	20,030	7,320	9,303	12,821	8,226	11,000	10,900
Nalhati	5,073	7,367	7,936	8,315	8,732	7,700	8,300
Tirhoot	...	...	4,006	14,190	23,571	35,000	26,500
Northern Bengal	...	...	...	...	16,402	90,000	95,000
Hatras-Mathura	...	...	...	4,919	5,252	5,000	5,500
	46,388	86,004	193,486	287,989	426,006	783,200	906,100
Net Traffic Earnings.							
Rajputana	141	35,983	83,463	80,267	76,604	125,000	120,000
Holkar and Nimach	300	5,624	2,634	226	23,347	30,000	32,500
Punjab Northern	...	...	8,920	4,195	5,913	7,000	21,000
Indus Valley	...	...	...	...	...	**15,000**	33,000
Wardah Coal	...	**291**	**213**	28	3,595	1,000	20,000
Rangoon and Irrawaddy Valley ...	...	...	...	...	2,882	11,000	45,000
Dhond and Manmad	...	...	...	...	...	**5,000**	...
Sindia	...	...	...	...	**818**	**1,500**	2,000
Patna and Gya	...	...	...	...	...	...	2,500
Calcutta and South-Eastern ...	**10,197**	2,541	1,183	**3,046**	4,390	2,000	800
Nalhati	3,282	1,125	**758**	**217**	398	1,200	100
Tirhoot	...	...	799	7,168	10,752	9,000	19,000
Northern Bengal	...	...	...	...	710	17,500	28,000
Hatras-Mathura	...	...	...	4,058	4,112	5,000	4,800
	6,474	44,982	96,028	92,679	131,883	187,200	328,700

GOVERNMENT OF INDIA.

FINANCIAL DEPARTMENT.

FINANCIAL STATEMENTS

FOR

1880-81.

LIBRARY OF THE BOMBAY BRANCH OF THE ROYAL ASIATIC SOCIETY.

CALCUTTA:

OFFICE OF THE SUPERINTENDENT OF GOVERNMENT PRINTING.

1880.

FINANCIAL STATEMENT FOR 1880-81.

SPEECH IN THE LEGISLATIVE COUNCIL OF HIS EXCELLENCY THE GOVERNOR GENERAL OF INDIA, BY THE HON'BLE SIR JOHN STRACHEY, G.C.S.I.

FEBRUARY 24TH, 1880.

Preliminary.

1. My Lord, I have now to lay before the Council the Financial Statement for the coming year 1880-81. It takes what has become the somewhat unusual form of a speech by myself, instead of a Resolution published in the Gazette. I shall state to the best of my ability all facts necessary to enable the Council and the public fully to understand the present condition and apparent prospects of our finances.

I propose in the first place to give a summary of the main facts and figures for the year 1878-79, for the year 1879-80, now about to close, and for the coming year 1880-81, and to reserve for a later part of my statement the observations which I may wish to make upon some of the more important questions of our financial policy.

CHANGES IN THE FORMS OF THE ACCOUNTS.

2. The Council will see, from the Abstract Statements which have been laid on the table, that a few changes have been made in the forms of the accounts.

REGISTRATION.

New major heads have been opened to show separately the revenue from *Registration* and the expenditure on that department of the administration.

RAILWAYS.

The *Guaranteed* and *State Railways* are now shown together under the single head *Railways*. The purchase of the East Indian Railway by the State, involving its transfer from the category of guaranteed to that of state railways, has made comparisons of the current estimates with the past accounts in each separate category impossible; and a like disturbance will ensue on the acquisition of other lines constructed by private capitalists under a guarantee of interest from the public revenues. Moreover, negotiations are already in progress for the working of the Indus Valley State Railway by the Sindh, Punjab, and Delhi Railway Company. It would be difficult to distinguish between the transactions of the two railways under one management. Similar arrangements for the management of other state railways are likely in the future.

Regular Estimates, 1879-80.

IRRIGATION AND NAVIGATION.

For like reasons, the transactions with the *Madras Canal and Irrigation Company* will henceforth be entered under the major head, *Irrigation and Navigation*, under which head the cost of agricultural works (drainage and embankments) will also, hereafter, be shown.

Thus the public works heads of account will now be *Railways*, *Irrigation and Navigation*, and *Other Public Works*.

Accounts, 1878-79.

3. In March last the Regular Estimate for 1878-79 showed a probable surplus, on the ordinary Account, of £1,300,000; the actual surplus was £2,044,391, or £744,391 better than the estimate. The differences between the Accounts and the Regular Estimates are for the most part unimportant, and there are not many of them which now call for remark.

WAR IN AFGHANISTAN.

The net cost of the war in Afghanistan in 1878-79 was £676,381, a close approximation to the estimate of £670,000 made last year. Against this must be set the gain, the amount of which cannot be exactly stated, under the heads of *Railways* and *Telegraphs*, We estimate at £575,000 the ultimate net total cost of the operations in Afghanistan recorded in the Accounts of 1878-79.

FAMINE RELIEF.

The sum of £313,420 was spent on *Famine Relief*.

COMPARISON WITH 1877-78.

4. Compared with 1877-78, the Revenues of 1878-79 show an improvement of £6,238,393, of which, however, £2,400,331, under the head of *Provincial Rates*, for the first time incorporated in these accounts, is nominal. The largest increase was under *Land Revenue*, £2,460,919; the loss under this head in 1877-78, in consequence of famine, had been very large. There was a saving of £5,032,355 in *Famine Relief*; there was an increase of expenditure of £1,705,767 under *Loss by Exchange*, and £1,339,281 under *Public Works*. The apparent increase under *Public Works* is explained by the transfer of charges in the earlier year from this head to that of *Famine Relief*, and does not represent a real fluctuation of Public Works expenditure. Altogether the expenditure of the year exceeded that of the previous year by £650,915. The net result is £5,587,478 better than the result of 1877-78.

GENERAL RESULT FAVOURABLE.

5. Thus the financial outturn of 1878-79 was very satisfactory; with the help of the additional taxation imposed in that and in the previous year, amounting to £1,227,891, of which £313,420 was spent on Famine Relief, the true surplus of the year exceeded the amount of £2,000,000, decided to be necessary to meet our obligations on account of famine, and to leave a margin for other contingencies; and this result was obtained, notwithstanding the expenditure on the war, and the remission of the Inland Sugar Duties and some of the Customs Duties on cotton goods and other articles. The standard at which, for ordinary times, the Government aims, namely, a surplus of £2,000,000, less any expenditure on Famine Relief and exclusive of extraordinary charges such as those for great military operations, would have been attained if the accounts had shown a surplus of only £1,010,199, or £1,034,192 less than the actual surplus.

DOUBTFUL PRODUCTIVE PUBLIC WORKS.

6. I see only one drawback to entire satisfaction with these results; some of the capital expenditure under productive public works, as, for example, that on the Indus Valley and Punjab Northern Railways, cannot at present be regarded as directly reproductive. The works themselves possess the highest value; and for the future, as the Council is aware, no expenditure which is not really and directly reproductive is to be excluded from the comparison upon which the Surplus or Deficit of the revenue is ascertained. It will be seen later on that we are acting strictly on this principle in the present and coming years.

Regular Estimates, 1879-80.

7. I come now to the Regular Estimates for the present year, 1879-80.

COMPARISON WITH ORIGINAL ESTIMATE.

It is now expected that the revenue will amount to £67,583,000, or £3,021,000 more than the original estimate, and that the ordinary expenditure will be £67,464,000, or £1,507,000 more than was estimated. Thus, instead of a deficit of £1,395,000, with which, when our budget estimates were framed, we expected that the present year would close, our estimates now show a surplus of £119,000.

Regular Estimates, 1879-80.

8. The original estimates provided for an additional military expenditure of £2,000,000 for the war in Afghanistan; if the war had ended with the treaty of Gundamak, I believe that this estimate would not have been exceeded; but, in consequence of the renewal of hostilities, the estimated additional charge has risen to £3,216,000. In addition to this amount, we have had to undertake the construction of railways on our frontier. I shall have to speak of them further on; but in the present year they are estimated to cost £1,670,000. Thus the total provision on account of the war has now been increased to £4,886,000. With the exception of £230,000 on account of the Railway from Jhelum to Rawal Pindi, which is included under the head of *Railways*, the whole of this sum, under orders from the Secretary of State, is charged against *Army*. It was a question whether they ought not to have been included under the head of *State Railways*, and as they will undoubtedly, quite independently of their present military importance, possess great and permanent value to the country, much was to be said in favour of this view. But, as their construction was primarily due to the war, it was decided to include their cost in the war expenses. The result will be to exaggerate the apparent amount of our military expenditure.

War in Afghanistan.

Railways charged as War expenditure.

An expenditure of £10,000 upon *Famine Relief* was estimated; this, on account of distress in parts of the Bombay Presidency, has been raised to £99,000. On the other hand, the Railway and Telegraph receipts are better, by reason of the war, to the extent of about £300,000.

Famine Relief.

9. Thus, but for war and famine, the Regular Estimates of the present year would have shown a surplus revenue of about 4¾ millions sterling. The taxes imposed in 1877 and 1878, to enable us to discharge our obligations in time of famine, will, it is estimated, yield £1,184,000; and, if we deduct the sum of £99,000, actually spent on famine relief, there will remain of this revenue £1,085,000. To this extent, the new taxes have had the effect of preventing debt. Making allowance for other abnormal items on both sides of the account, the true surplus of the year for comparison with the standard surplus of £2,000,000, at which we aim, will be about £4,160,000. This surplus, if it had been actually obtained, would have been much in excess of the whole expenditure on productive public works, which is estimated at £3,700,000.

Surplus compared with standard.

If present prospects are fulfilled, the financial outturn of the present year 1879-80 will leave nothing to be desired.

10. The most important variations from the original estimates are the following:—

Detail of variations.

Land Revenue.—Improvement, £450,000; more than half of this has been collected on account of arrears of former years, and the increase is due to the increased prosperity of the country.

Land Revenue.

Salt.—Net improvement £362,000; this also is highly satisfactory, as showing a general increase of consumption.

Salt.

Opium.—Net improvement, £1,900,000. In September last the duty on Malwa Opium was raised by Rs. 50 a chest; the revenue from Opium this year has been unprecedentedly large.

Opium.

Assessed Taxes.—Decrease £93,000. This is the result of the orders given during the year for the exemption of the smaller incomes from taxation.

Assessed Taxes.

Stamps have improved by £114,000. The stamp revenue has been constantly increasing; during the last seven years it has risen from £2,516,400 in 1872-73 to £3,090,000 in 1879-80, or by £573,600.

Stamps.

Under no head of the revenue has there been any serious decrease.

11. On the expenditure side of the account, the following are the chief variations from the original estimates:—

Interest on debt.—Decrease £389,000; the chief saving is in the discount on the loan of March 1879.

Interest on debt.

Regular Estimates, 1879-80.

There has been a satisfactory increase in the Savings Bank Deposits, which now exceed £2,000,000; in December last new rules were issued increasing the rate of interest from $3\frac{3}{4}$ to $4\frac{1}{6}$ per cent., and for preventing trouble to depositors.

POST OFFICE.

Post Office.—Increase £63,000. The new contract with the Peninsular and Oriental Company came into force in February 1880. The yearly subsidy has been reduced from £430,000 to £360,000; the efficiency of the service has been increased, and the rates of postage to Great Britain have been reduced. Post-cards costing $\frac{1}{4}$ anna each were introduced in April 1879, and are already so popular that it is difficult to supply the demand.

TELEGRAPHS.

In *Telegraphs*, the excess of expenditure over receipts will, this year, be only £6,000; there has been a satisfactory growth of revenue, amounting to £145,000, of which, however, £50,000 is attributed to the war.

STATIONERY AND PRINTING.

Stationery and Printing.—Decrease of expenditure £99,000; this is to some extent nominal. Supplies will, in future, be largely bought in India, instead of in England.

SUPERANNUATION.

Superannuations.—Increase of net expenditure, £168,000; this is owing to the reduction of Public Works establishments, to which I shall have again to refer.

RAILWAYS.

Including an expenditure of £230,000 on the Jhelum and Rawal Pindi line, *Railways* are worse by £204,000, of which, however, £150,000 appears as a transfer under *Gain by Exchange*. If these adjustments are made, the Railways show an improvement of £176,000. But the Railways, and especially the Great Indian Peninsula and the Oudh and Rohilkund lines, have not been as prosperous as, at one time, we hoped they would be.

PUBLIC WORKS.

Public Works.—There has been a saving of £747,000, to which I shall refer again.

PROVINCIAL AND LOCAL SURPLUSES AND BALANCES.

Provincial and Local Surpluses.—Net surplus £265,000. Improvement £456,000.

There was a like improvement of £469,000 in the accounts of 1878-79, as compared with the regular estimates. The provincial and local balances at the end of 1879-80 are now expected to exceed the sums last estimated as follows:—

	Provincial.	Local.	Total.
	£	£	£
Now estimated	1,331,800	1,336,700	2,668,500
Estimated last year	837,000	716,900	1,553,900
Better	494,800	619,800	1,114,600

This result is the more remarkable and satisfactory in that, during the year, the Local Governments agreed to contribute from their balances in special aid of the imperial treasury the sum of £670,000, half of which, £335,000, is charged in the accounts of the current year. The other half will be charged in 1880-81. The reduction of their expenditure on public works and the general improvement of their provincial resources has enabled the Local Governments to afford this timely help to the general finances with little apparent difficulty.

ARMY.

The *Army* shows an increase of £2,768,000; which I have already noticed. Apart from the war, the regular estimate is for a net expenditure of £15,487,000; the excess of £112,000 over the original estimate being due to high prices.

EXCHANGE.

Exchange shows an improvement of £1,010,000; the original estimate was for the remittance to the Home Treasury of £15,000,000 at an exchange of 1*s.* 7*d.*; it is now hoped that £15,750,000 will be remitted at an average rate of 1*s.* 8*d.*

PRODUCTIVE PUBLIC WORKS. RAILWAYS.

Productive Public Works, on which £3,700,000 was spent, show a small increase; 511 miles of railways have been opened for traffic during the year. At the end of the year there will be 8,724 miles in use and 1,462 under con-

struction. I shall speak again of the frontier railways. Great progress has been made during the year with the Rajputana Line. The Lines in Bengal have been completed, and fair progress has been made on the Line from Nágpúr to Ráipúr. Budget Estimates, 1880-81.

Irrigation Works show an expenditure of £797,000. In Madras, much progress was made with the Godaveri and Kistna Delta and other works. In Bengal, the Orissa project, so far as the works have been sanctioned, approaches completion. In the North-Western Provinces and Punjab, much useful work has been done on the Upper and Lower Ganges Canals, and on the Western Jumna and Sirhind Canals. IRRIGATION.

Satisfactory progress has been made with the Madras Harbour Works.

Revenue and Working expenses of Productive Public Works show an improvement of £638,000, due mainly to the inclusion, so long desired, of the land revenue in the Madras Presidency attributable to these works.

12. The details of the Loan operations of the year are as follows:—

Debt incurred.—Net £5,131,000. More than estimate £804,500, of which £540,700 was in India, where less was paid off than was expected, and £263,800 in England, where £270,016 less than was estimated in March last was raised at the close of 1878-79. LOAN OPERATIONS.

The loan of £5,000,000, which was notified on the 13th March 1879, was subscribed at an average of 95-0-6 per cent. The discount upon it charged in the accounts of 1879-80 was £247,239. Of the outstanding portion of the 5½ per cent. Loan of 1859-60, £1,123,900 will be paid off during the year, leaving £105,600 still due. Other outstanding notes, amounting to £2,400, have been discharged. The net sum borrowed is thus £3,850,000.

13. A Local Debenture Loan of £45,020 was raised for the Cawnpore-Farakhábad Light Railway at 4 per cent. interest with share of profits. LOCAL DEBENTURE LOANS.

A Local Debenture Loan of £50,000 was offered at Nágpúr in November at par at 4½ per cent. interest, with half the percentage of surplus profits on the Nágpúr-Ráipúr Railway. The subscriptions amounted to £42,700, of which £17,300 is payable this year and £25,400 next year.

The Secretary of State received £2,000,000 without interest from Her Majesty's Imperial Government under the Indian Advance Act, 1879: but on the other hand he repaid sterling debt amounting to £736,200.

14. Thus the net debt incurred amounted to £5,131,000, or, excluding the loan from Her Majesty's Government, £3,131,000. Including railway capital transactions, savings bank deposits, service funds, loans to native states, &c., and the repayment of such loans, the net amount borrowed in 1879-80 was, apart from the £2,000,000 advanced as aforesaid under the Indian Advance Act, £3,523,000. NET DEBT INCURRED.

The equation of the year 1879-80 may accordingly be stated thus—

	£		£
Borrowed ...	5,523,000	Net expenditure ...	3,581,000
Net other receipts ...	148,000	Balances decreased ...	2,090,000
	5,671,000		5,671,000

15. The price of public securities has risen rapidly during the year. The price of 4½ per cent. paper has for some time been more than 101, and that of 4 per cents. now exceeds 94. PUBLIC SECURITIES.

16. I come now to the Budget Estimates for the coming year 1880-81. Budget Estimates, 1880-81.

The revenues are estimated at £66,746,000. The ordinary expenditure is estimated at £66,329,000; we expect therefore a surplus of £417,000. GENERAL.

17. The estimated expenditure includes excess military charges, amounting to £4,360,000, of which £2,090,000 is for military operations proper, and £2,270,000 for the frontier railways; against this, there will be a set-off on account of improvement in the Railway and Telegraph revenues, estimated to £300,000, leaving the net charge for the war on the estimates of 1880-81 at £4,060,000. EFFECT OF WAR ON ESTIMATES.

Budget Estimates, 1880-81.

But for the war expenditure, the true surplus of the year, to compare, as before, with the standard surplus of £2,000,000, would not have been less than £4,000,000.

The estimated revenue includes £982,000 obtained from the taxes imposed in 1877 and 1878, to enable the Government to meet its famine obligations.

SATISFACTORY RESULT.

18. The estimates for 1880-81 thus show an extraordinarily satisfactory result, far surpassing the standard at which two years ago the Government of India aimed. The result is the more satisfactory, because the total estimated expenditure on the productive public works of a doubtful character, to which I have before referred, is only £398,000.

Revenue.

19. I will notice a few only of the heads in which the Budget Estimate differs from the Regular Estimate of the present year.

ASSESSED TAXES AND CUSTOMS.

20. *Assessed Taxes* and *Customs* show a decrease of revenue, to which I shall refer later on. I may, however, notice here that, in February 1879, the Hon'ble Mr. Hope and Mr. J. D. Maclean were appointed Commissioners to report *inter alia* whether it was desirable to revise the tariff valuations yearly, and, if so, how such revision should be made. The Commissioners recommended a yearly revision of the tariff values, and advised that the materials for such revision should be systematically collected throughout the year at the ports of Calcutta, Bombay, Madras, Rangoon, and Kurrachee, and collated in Calcutta, in February of each year, by a Committee of three persons to be appointed by the Government of India, one of them being *ex-officio* the Collector of Customs at Calcutta. The first Committee of revision was accordingly appointed in January last; the Hon'ble Mr. Hope, and, on the nomination of the Bengal Chamber of Commerce, Mr. J. W. O'Keefe, a member of the firm of Messrs. Kettlewell, Bullen, and Company, consented to serve upon it, with Mr. J. D. Maclean, Collector of Customs, Calcutta. The Committee has just completed its revision, which is estimated to produce an increase of £15,000 to the Customs revenue.

SALT.

21. *Salt* shows an increase, of which also I shall speak separately.

OPIUM.

22. The net revenue from *Opium* is estimated at £7,250,000; this estimate, although £1,150,000 less than the amount we expect to receive in 1879-80, is largely in excess of any estimate made in any previous year. Although the actual net revenue of the last two years has been more, it is not thought prudent to take the estimate for the coming year at a larger amount than that which I have stated.

The Bengal crop of 1878-79 yielded 29,876 chests 75 °/₀ consistence and 20,175 chests 70 °/₀ consistence. Thus the stock in hand on the 1st January 1880 was 38,179 chests 75 °/₀ consistence, and 43,404 chests 70 °/₀ consistence, total 81,583 chests. The provision for sale during 1880 is 28,200 chests of each consistence, so that the reserve on the 1st January 1881 will be 9,979 chests 75 °/₀ consistence, and 15,204 chests 70 °/₀ consistence, total 25,183 chests.

TELEGRAPHS.

23. Under *Telegraphs* we estimate for the first time that the revenue will exceed the expenditure.

RAILWAYS.

24. *Railways.*—Net revenue £794,000, of which £250,000 is attributed to the military operations in Afghanistan. Improvement £1,080,000.

Of this large amount, £268,337 is nominal, owing to only three-quarters of the East Indian Railway annuity falling due in the financial year 1880-81, against which, however, may be set a payment of £235,000 due to the Company under the old contract for the second half of 1879. The purchase of the East Indian Railway is expected, upon the estimates of 1880-81, to produce a net revenue of £300,000 in excess of what it would have yielded under the old system. The guaranteed Railways will, it is hoped, in the prosperous season which we anticipate, yield £405,000 more than this year.

From the State Railways an improvement of £231,000 is expected from increased mileage open and from development of traffic.

There is no doubt always an element of speculation in the estimates of Railway revenues; but an increasing return may fairly be expected from the constantly increasing capital expenditure on the construction of these works, which by the end of 1880-81 will amount to £130,000,000, or 144 crores of rupees.

Budget Estimates, 1880-81.

The chief event of the year is the purchase of the East Indian Railway for the State with effect from the 1st January 1880. The price paid was £37,200,000. I need not repeat the details of the new arrangements under which the line has been purchased, and under which it is to be worked.

PURCHASE OF EAST INDIAN RAILWAY.

On the expenditure side of the account an improvement is expected of £242,000 under *Interest;* this partly arises from the proposed conversion of the 5 per cent. sterling loan, and is partly nominal.

Expenditure.

INTEREST.

25. Under *Administration* there is a decrease of £30,000, in consequence of various reductions in Imperial Establishments.

ADMINISTRATION.

26. The grants for 1880-81 for *Ordinary Public Works* are less than those for 1879-80 by £597,000; the grants for *Productive Public Works* have been reduced by £1,000,000. There is thus a total gross reduction in Public Works expenditure of £1,597,000, of which the saving in establishments is estimated at £247,000. Against this, however, must be set the special grant of £230,000 under *Railways* on the Jhelum and Rawal Pindi line.

PUBLIC WORKS.

The reduction in the ordinary expenditure on Public Works, apart from establishments, is more apparent than real; for the actual expenditure in past years has never exceeded the amount granted for 1880-81. I shall again refer to the question of expenditure on Public Works.

27. I have already spoken of the *Army* expenditure. Apart from the war, the estimate stands at £15,330,000. According to our present accounts and estimates, the net cost of the war from 1878-79 to the end of 1880-81 will be about $9\frac{1}{4}$ millions, of which about $3\frac{3}{4}$ millions is for the railways, and $5\frac{1}{2}$ millions for military operations. The estimates of the cost of the war must of course be to a great extent speculative; but they have been prepared with much care; and their accuracy up to the present time is highly creditable to Major Newmarch and the Military Department. There is no reason to suppose that they err on the side of being too low.

ARMY.

To what extent it will be found hereafter that stores, chiefly camp-equipage, have been expended and wasted and lost, we cannot possibly know accurately until the war is over; but every thing bought for the war is included in the estimates, and the reserves in our arsenals are being maintained at their proper standard, the cost being charged, for the present, as current expenditure.

28. Our estimates show under *Loss by Exchange* a net loss of £3,174,000, being an increase on the regular estimate for the present year of £310,000; in 1880-81 it is proposed to remit £16,900,000; the expenditure of the Home Treasury will be largely increased by the payments for stores for the frontier railways. We assume that the average rate of exchange will be the same as that of the present year, or 1*s.* 8*d.*

LOSS BY EXCHANGE.

29. The rate of exchange for the adjustment of the public accounts between the English Treasury and India has been fixed at 1*s.* $8\frac{1}{2}$*d.*

ADJUSTING RATE, 1880-81.

30. *Productive Public Works* (*Capital expenditure*).—Grant £3,312,000. Decrease £388,000. The grant is thus distributed:—

PRODUCTIVE PUBLIC WORKS.

	£
Irrigation and Navigation ...	630,000
Madras Harbour (besides £50,000 granted under 34, *Other Public Works*)	70,000
East Indian Railway	630,000
Other State Railways	1,982,000
TOTAL ...	3,312,000

This grant is made in strict accordance with the conditions prescribed by the Secretary of State as follows:—

	£
Fixed grant...	2,500,000
Saving in 1879-80 re-granted	182,000
Capital expenditure on the East Indian Railway	630,000
TOTAL ...	3,312,000

Budget Estimates, 1880-81.

Expenditure.

RAILWAYS AND IRRIGATION.

It is hoped that 988 miles of railway will be opened for traffic in 1880-81. This will complete the communication between Bombay and the North-Western Provinces through Rajputana. Good progress will be made towards the completion of railways and works of irrigation already begun, but the funds at our disposal for productive works are now so small that we cannot commence in the coming year any new works of magnitude. In Madras the chief outlay on irrigation works will be in the Godaveri Delta. In Bombay and Bengal the sanctioned works will be nearly all completed. In the North-Western Provinces the principal work will be on the Lower Ganges Canal. In the Punjab the weir at the head of the Sirhind Canal and the remaining large masonry works will be nearly finished; the new main line of the Western Jumna Canal will probably be opened, and the new Delhi branch will be well advanced.

MADRAS HARBOUR.

It is hoped that the Madras Harbour works will be finished in 1880-81. It was not possible to grant on this account more than £70,000 under the head of *Productive Public Works*, but the completion of the work being very important, this amount has been supplemented by a grant of £50,000 under the ordinary head.

NET REVENUE FROM PRODUCTIVE PUBLIC WORKS.

31. *Revenue and Working expenses, Public Works.*—Net revenue £318,000. The improvement is under Railways.

Ways and Means, 1880-81.

32. I now come to the important subject of the provision of the Ways and Means for the service of the ensuing year.

HOME REMITTANCES.

33. In this respect the responsibility of the Government of India is confined chiefly to the requirements of the public service in India. Its direct concern with the provision of Ways and Means to meet the demands of the Home Treasury is limited to the remittance of the amount for which the Secretary of State intimates his intention of drawing bills during the year. The Secretary of State has resolved to raise, in this way, during 1880-81, the sum of £16,900,000. Owing to the heavy estimated expenditure at home for the frontier railways (£360,000 in 1879-80, and £1,070,000 in 1880-81), this large sum will not much exceed the current requirements of the Home Treasury. The Secretary of State could not therefore frame his requisition upon us for less than £16,900,000; but he has authorised the Government of India to state that his drawings may be reduced if the demand for his bills upon India proves insufficient.

ASSETS AND LIABILITIES.

34. According to present prospects, the balances in the treasuries in India on the 31st March 1880 are expected to amount to Rs. 14,19,00,000. The surplus of Imperial revenue in India during 1880-81 is estimated at Rs. 12,88,68,000, or, deducting from the expenditure the loss by exchange on the Secretary of State's bills, Rs. 16,26,68,000. We expect to receive in India the sum of Rs. 1,01,38,000 for remittance to England, and, in the shape of Savings Banks and Service Funds Deposits and recoveries of Railway Capital, Rs. 56,15,000. Besides the Secretary of State's bills, provision must be made for the estimated deficit in the Provincial and Local revenues of Rs. 11,60,000 and for the net disbursement of Rs. 19,50,000 on the Remittance and Deposit Accounts. Thus, including Rs. 20,28,00,000 for the Secretary of State's bills, we have to contemplate a liability of net Rs. 20,59,10,000, against which we have net assets amounting to Rs. 17,84,21,000, showing a deficiency of Rs. 2,74,89,000.

NO LOAN.

35. The Government of India has had to consider whether the whole or any part of this sum should be provided from the balances, or whether it shall raise the whole or any part of it by a loan. After due deliberation we have resolved to adopt the former alternative, and to endeavour to meet all the expected demands in India, during the coming year, without recourse to the money market for a loan.

REDUCTION OF BALANCES.

36. In consequence of this resolution the balances in the treasuries in India on the 31st March 1881 are expected to fall somewhat below 11½ crores of rupees, a sum considerably less than the minimum sum which the Government of India usually estimates.

FREE POWER TO BORROW RESERVED

37. The estimates of the Home remittance and Loan Transactions are habitually presented with expressed reserve; and this reserve must be understood to be this year greater than usual. But while thus emphatically reserving to our-

selves the freest discretion to raise, during the year, any loan which actual events may render necessary, we consider the prospects of our being able to dispense with a loan during the year sufficiently substantial to make it unnecessary for us to enter any loan upon the estimates. We shall not in any case hesitate to raise any small Local Debenture Loans which may seem expedient during the year. Trade.

38. The year 1878-79 was one of restricted and depressed trade as compared with the trade of the year immediately preceding it, though the value of the merchandise imported and exported (excluding gold and silver) was hardly below the average of the four years ending with 1877-78. When it is considered that famine still afflicted extensive provinces, that the war with Afghanistan was in progress, interfering with ordinary traffic on railway lines, causing a scarcity of carriage, and increasing the effects of drought and floods on the prices of food, and that trade generally in Europe and America was passing through a prolonged period of depression, it is a matter for congratulation that the industry of the country was able to bear up so well against adverse influences. TRADE, 1878-79.

The value of the exports of raw cotton, oilseeds, hides and skins, indigo, silk, wheat, saltpetre, lac, teakwood, and sugar, exhibited a sensible decline, most strongly marked in cotton, seeds, indigo, wheat, and sugar. The fall in cotton followed on a continuous decline of some years; the crops of seeds failed extensively, and at the same time the European and American demand for them fell off; the wheat trade was for the time almost annihilated, the low range of prices and enormous supplies from America forbidding the competition of Indian wheat; and sugar, after a large trade in the two previous years, suffered from the increase of prices caused by exhaustion of stocks and a failure of the sugarcane crop in the North-Western Provinces. Large quantities in excess of the imports of the previous year were imported to supply the deficiency. EXPORTS AND IMPORTS.

But while the trade in these articles diminished, owing to what we may hope were in most cases temporary causes, the exports of cotton twist and piece goods, rice, jute and jute manufactures, tea, coffee, and wool, afforded indications of prosperity in some of our chief staples.

The value of the cotton manufactures imported was smaller than it had been for many years. Metals, railway materials, liquors, coal, and apparel all declined, and there was an increase in silk, sugar, provisions, woollen goods, machinery, and spices.

The net imports of silver were nearly £10¾ millions less than those of 1877-78, and gold was sent out of the country to the value of nearly £900,000. IMPORT OF SILVER.

The trade of the ten months of the current year for which figures are available shows a marked recovery from the depression of 1878-79, a recovery which, with abundant harvests, a decline in the prices of food stuffs, and renewed vitality in European and American trade, may reasonably be expected to continue. RECOVERY OF TRADE.

Even raw cotton has shared in the recovery, both quantities and values ving, for the first time for years, increased instead of diminished. Twist, rice, te, hides and skins, tea, indigo, wheat, and saltpetre, have all increased, some cases remarkably. The recovery of the rice trade, with the fall of ices and the reduced demand for consumption in India, is very satisfactory. o also is the increase in the trade in tea, although it is said that the planting interest has not been a gainer by the increased exports.

The imports of merchandise also, like the exports, are much larger than in 1878-79. A large and active trade is being done in cotton goods, in the development of which there is reason to believe that the remission of duty on the coarser kinds of grey goods has aided. On the whole, the prospects of trade are satisfactory.

39. I have now, my Lord, stated the general facts and figures for the past present years, and for the year that is about to commence. The result t be considered highly satisfactory. The aggregate actual and estimated luses of the three years amount to £2,580,000. Let it be remembered t this will be arrived at after spending, out of our ordinary revenue, ¾ millions on the war, 3½ millions on frontier railways, and £400,000 on GENERAL SATISFACTORY RESULT.

Afghan War.

famine relief; let it be remembered that the amount charged in these three years under the head *Loss by Exchange* has been nearly 10 millions; let it also be remembered that we have given up £340,000 from the License tax; £150,000 from Salt; £150,000 from the Inland sugar duties; £300,000 on cotton goods, and a multitude of other articles; and that the sum raised by taxation is thus less than the sum raised at the beginning of 1878, by more than £900,000.

WAR IN AFGHANISTAN.

40. I shall now, My Lord, proceed to notice some of the more important questions of policy which the Government has had to consider. And first I may refer to that question which, at the present time, chiefly occupies our thoughts, the war in Afghánistan.

ITS POLICY DOES NOT AFFECT FINANCIAL ASPECT.

My Lord, I do not now propose to discuss the reasons which led the Government to undertake this war. The discussion by me of such questions on the present occasion would be irrelevant to the matter before me. Whether the war has been just and necessary, or iniquitous and foolish, it has now to be carried on and paid for, and my present duty is confined to showing how the Government proposes to meet the obligations which, whether rightly or wrongly incurred, cannot now be avoided.

COST TO BE BORNE BY INDIA OR ENGLAND.

41. There is, however, one question to which I must refer. It has been maintained by many persons that England, and not India, ought to bear the cost of the war in Afghanistan. I must explain why I consider this opinion incorrect.

Circumstances may be imagined under which it would be just that England should bear the whole cost of military operations carried on by the Government of India, even though the finances of India might be so prosperous that they could without difficulty dispense with such assistance. It is conceivable that a war might be undertaken for the maintenance or defence of purely English interests, real or imaginary does not matter, and that India might be called upon by England to co-operate in such a war, although no Indian interests could be possibly served by it. In such a case the liability of England could not justly be denied.

It will be said by those who are opposed to the policy which the Government has followed, that the war in Afghanistan falls precisely within this category, and that this war has been entered upon in defence of no Indian interest whatever, but in furtherance of the so-called Imperial policy adopted by Her Majesty's Government. Persons who hold this opinion may reasonably object to throwing any part of the cost of this war upon India; but this is not the opinion of the Government.

INDIAN INTERESTS INVOLVED.

42. Her Majesty's Government, and the Government of India, and, I will make bold to say, the intelligent loyalty of the people of India itself, hold that the war in Afghanistan was undertaken for the protection of India from the menaces of foreign aggression, and for the maintenance within her borders of permanent domestic tranquillity. The Government believed that this war could not be avoided, unless we were prepared to acquiesce in the establishment on our North-West Frontier of new conditions, which would infallibly lead to great increase of military expenditure, to intolerable financial burdens a difficulties, and to the disturbance throughout India of the very foundatio of our power. Great as is the interest of England in preventing such con quences, the questions at issue were primarily and essentially Indian questions

Believing that the true interests of India are indissolubly bound up with the peaceful maintenance of our own dominion, we say that this war was undertaken with the conviction that justice to India herself rendered it unavoidable. If it be right to expend the revenues of India in maintaining the armies by which British supremacy is ordinarily secured, in giving to her internal peace and good administration, in the development of her wealth and civilization, and on the thousand other beneficial objects which we desire to promote, it is right to spend those revenues in rendering it impossible that any ho influence should grow up on her borders, to threaten the existence of everyt which the duty of England to India makes us most desirous to develop.

NECESSITY OF FINANCIAL INDEPENDENCE OF INDIA.

43. I can imagine few greater misfortunes to India than the loss of her fi cial independence, and the acceptance by England of financial responsibility f

her Indian Empire. It would signify to India the loss of control over her own affairs in every department of her administration, the possible subordination of her interests to those of a foreign country, and the substitution of ignorance for knowledge in her Government. Although some rare instances may be quoted in which, when there seemed to be a conflict between English and Indian interests, it may perhaps be doubted whether India has been treated with perfect fairness, there can be no question that, on the whole, the government of India has been carried on with as honest and thorough a regard for Indian interests as if India had a separate national existence of her own. England may rightly be proud of the way in which she has treated her great dependency. These fortunate results have, however, been due not only to her justice, but also to the wisdom with which she has left to India a separate financial responsibility. England has felt that it would be no kindness to take upon herself burdens which India now bears, to guarantee Indian debts, pay for Indian wars, and relieve Indian famines. England has also felt that it was wise, in her own true interest, to refuse to take into her own hands the control of the £67,000,000 which now constitutes the revenue of India. England does not choose that there should be grounds for even a suspicion in regard to the purity of her motives. I say this in the belief that India has before her a future of increasing wealth and prosperity; but if this anticipation should not be verified, and her future should be one of financial embarrassment, the loss of her financial independence would bring with it other misfortunes. I trust that the people of England may never find cause for believing that the maintenance of their Indian Empire means the imposition of heavy burdens on themselves. Afghan War.

44. If, My Lord, India is ever to have a separate national existence, she must have self-respect and self-reliance, and I am sure that Indian patriots, who, with perfect loyalty to British rule, may nevertheless have, as they may rightly have, visions and aspirations of a distant future of another kind, ought to be the first to declare that their magnificent country shall bear its own burdens. India expects justice from England, but does not ask for charity. She feels that, with her ample and splendid resources, her two hundred millions of people, her revenue, which is surpassed by that of two only of the greatest European nations, she is a source of strength, not of weakness, to the British Empire. Whether we look to the extent of her territory, or to the numbers and character of her population, her military strength and capabilities, her public revenue and credit, India is one of the great powers of the world, ready at all times to stand side by side with England, and to fulfil every obligation which she owes to the common interest. If England be wise, she will not suffer either her own people, or her friends, and still less will she suffer her enemies, to be ignorant of the fact that her Indian Empire possesses almost inexhaustible resources. I repudiate, as unworthy of India and of England, the notion that India requires help to protect herself against the hostility of an Afghan Chieftain, encouraged though he may have been by a great power beyond. Nor does the fact that English [illegible]ell as Indian interests are at stake, afford any reason for asking England [illegible]lp us with her money. Everything which conduces to the safety and pros[illegible]ity and progress of India, is a matter of concern to England; but there is [illegible] more reason that England should help us to pay for a local war, necessary for the protection of the interests of India, than that she should help us in the relief of our famines, or in meeting the ordinary charges of our administration. Resources of India.

45. Holding, my Lord, these views, it was, I confess, with some regret that I saw India, a year ago, accepting from England even the small amount of assistance which was given to us in the shape of a loan of £2,000,000, to be repaid without interest in seven years. But the circumstances of the time were peculiar. India had been suffering from a succession of famines and [illegible] unavoidable misfortunes, which had thrown enormous burdens on her [illegible]ces, and there was a strong feeling in England, shared by men of all [illegible]s and parties, that, when the new calamity of war was added to the [illegible]nities which had gone before, England should help India in her difficulties. [illegible]hough the course prompted by this generous feeling may not have been Loan from England to India.

Afghan War.

politically wise, its motives were so honourable to the people of England that I cannot cavil at it.

COST TO BE BORNE BY INDIA.

46. But, whatever may be thought of the action taken in the past, when we were in a position of temporary embarrassment, no reasons exist at the present time for asking England to help us to meet the charges of the war. The figures which I have stated to the Council show that we have in our possession ample means of defraying all expenditure which it is likely we shall have to incur. We have obtained these means not only without the imposition of fresh burdens on the people, but at a time when we are relieving important industries, and freeing from taxation a vast number of persons, who, if not actually, are still relatively poor. To say that when we are reducing the pressure of taxation, when the general condition of the people of India is one of great prosperity, when every branch of our revenue is flourishing, and when we have actually got all the money that we want, we ought nevertheless to ask England to tax herself, and relieve us from a burden which we are perfectly able to bear, does not seem to me reasonable.

COST OF WAR TO BE MET OUT OF CURRENT INCOME.

47. But it will be said that, even if India must bear the cost of the Afghan war, and must pay for the frontier railways, the construction of which the war has made inevitable, all these charges ought not to be thrown on the present generation of tax-payers; that this expenditure is undertaken for the future, rather than for the present protection of India; that posterity should pay its share of burdens imposed for its benefit; and that these charges should be met by loans, not out of the income of the year.

The question thus raised is an old one; but I think I may be allowed, without disrespect to those who think differently, to say that, in England at least, statesmen of all parties have agreed about the principles on which such questions are to be decided. Those principles are, that, especially in a country with a heavy public debt, and not able to reckon confidently on a large and constantly recurring surplus, by means of which new debt can certainly and speedily be cleared off, the wise course is undoubtedly to provide for war expenditure out of the revenue of the year, so far, but so far only, as this is possible without throwing excessive burdens on the taxpayers, and overloading (to use Sir Stafford Northcote's words) the springs of industry and commerce; and that, if the expenditure cannot thus be covered, the deficiency may properly be made good by loans or other temporary resources not included within the regular revenue of the year. This is the doctrine which I understand to be held by that great authority in matters of finance, Mr. Gladstone, and I have partly stated it in his own words, although at one time he went further in his advocacy of meeting such expenditure without recourse to loans. In India there may undoubtedly be special reasons for charging heavy war expenditure against loans, in preference to placing new burdens on the country. Not only is it difficult to make a very large and sudden addition to our existing taxation, but it may be politically unwise to do so. There would therefore be no cause for surprise if, in the case of having to meet a large expenditure on war, we were unable to contribute from current revenue as large a proportion of the cost as in England would be thought right. Nevertheless, the general prin[redacted] is as true in India as in England,—that, to the utmost of our ability, we o[redacted] to provide for the expenses of every year out of the year's income, and to a[redacted] no borrowing that is not really unavoidable. As the late Prince Conso[redacted] contrasting these two plans of meeting war charges, observed:—"The forme[redacted] course is manly, statesmanlike, honest; the latter is convenient, cowardly, perhaps popular."

NO NEED FOR INCREASED TAXATION.

48. For the reasons which I have given, it is improbable that the Government would, if our finances had been less prosperous, have thought it right to propose the imposition of fresh taxation to meet the expenses of the present war; but it is fortunate that no such question now arises. We can carry out the wise principles which I have quoted, not only without any fresh demand upon the resources of the country, but while we are giving [redacted] from present taxation. I can hardly conceive that it can seriously be maint[redacted] that, having in our possession all the money that we are likely to re[redacted] for the prosecution of the war, we should not spend it on that object, [redacted] we should abandon existing income, and then borrow to supply the loss.

License Tax.

49. The reasons for which it is right to provide for the charges of the war out of current income apply equally, and indeed with greater force, to the charges for the frontier railways. Although they will permanently benefit the country, it is plain that we could not construct them with borrowed money on the grounds on which we borrow for productive public works, and that their cost must be included among our ordinary charges. If, however, we could not have paid for them out of our ordinary revenue, it would have been quite right to borrow for their construction. I should have said this because the works are absolutely necessary, and because the political and financial evils of borrowing would be less serious than those involved by fresh taxation. I should not have defended borrowing for these railways on the ground that they will benefit posterity as well as the present generation. That is a matter about which I know nothing; but I know that posterity will have quite enough to do in bearing its own burdens.

Cost of Frontier Railways similarly treated.

Urgent necessity for improved Frontier communications.

50. I may add, with reference to these railways, that the urgent necessity for pushing on their construction is not likely to be denied even by those who have opposed the policy under which the war in Afghanistan was undertaken. The estimates show a probable expenditure on this account of £1,440,000 in the present year, and of £2,270,000 next year. The Council is aware of the great and unprecedented speed with which the Railway from the Indus to the foot of the Biluchistan hills, on the line towards Kandahar, has been pushed on. The extension of the Punjab Northern Railway from Jhelam to Rawalpindi and Peshawar, and to Khushalgarh, is making rapid progress. In less than four months from the commencement of operations, trains were running for 140 miles towards Kandahar; while on the Peshawar line, where the rails have to be carried over viaducts 100 feet high and through cuttings of rocks 60 feet deep, the engines are expected to reach the banks of the Indus before the end of 1880. Independently of military considerations, which possess, of course, at the present time, extreme importance, the completion of these lines, within the shortest practicable time, has become very urgent. As the Government of India has written on this subject, "it is obvious that immediate outlay upon the early and effectual improvement of our means of transport would be amply repaid by reduction in the excessive, and, to a great extent, wasteful expenditure which must otherwise be prolonged throughout the course of our present military operations, with the certainty of its recurrence on the first occasion of their renewal. The financial and economical interests affected by the inadequacy of our present Frontier communications are far-reaching, and the injury they sustain can scarcely be exaggerated."

License Acts Amendment Bill.

51. I have now, my Lord, to state to the Council the course which the Government proposes to take in regard to the Bill for amending the License Acts. It will be remembered that, when this measure last came before us, I announced, on behalf of the Government, that it was not proposed to take any further steps in the matter, until after the publication of the Financial Statement.

Proposed changes.

The changes proposed in the existing law, when the Bill was introduced in November last, would, if they had been adopted, have had no appreciable effect upon the revenues, the amount surrendered by the exemption from taxation of the lower classes of traders being just made good by the extension of taxation to the official and professional classes. The effect of the further modifications subsequently proposed, and of the additional exemptions in favour of the poorer traders, would have been a loss on the one hand of £340,000 a year, and a gain on the other hand of £240,000, thus leaving us, as the general result, with £100,000 less revenue than we get now. The measure was essentially one which had for its object the equitable re-adjustment of taxation, and it had no financial importance.

Original intention of increased Taxation.

52. Before going further, I wish to ask the Council to recall the circumstances under which fresh taxation was imposed two years ago.

The object of the new taxes was described in the preamble of the License Act passed by this Council; and nearly the same words were used in the other similar Acts passed for the various provinces of the Empire. It was stated that—

"in order to provide means for defraying the public expenditure from time to time incurred, and to be incurred, for the relief and prevention of famine in British India, it is necessary to effect a permanent increase of the revenue."

License Tax.

In making this quotation, I do not attach any exaggerated importance to the declaration that these taxes were intended to give a "permanent increase" to the revenues. It is, of course, competent to the Legislature to alter its policy in regard to this, as to any other matter. The declaration, nevertheless, has this value, that it shows the intention of the Legislature, when these measures were enacted two years ago; and since the object for which they were enacted—the protection of the country against famine—is undoubtedly as important now as it was then, and as earnestly desired by the Government, it is reasonable to say that very good cause ought to be shown, before we consent to give up taxes avowedly imposed to make a "permanent increase" to the revenues.

TOTAL AMOUNT OF FAMINE INSURANCE TAXATION.

53. I may remind the Council what this increase really was. Taking together the measures adopted in the two years 1877 and 1878, the first new taxation was the Public Works cess, imposed on the land in Bengal: this yielded in 1878-79 £355,590. In 1878, new cesses were also imposed on the land in the North-Western Provinces, Oudh, the Punjab, and the Central Provinces, yielding about £170,000. The total amount of new taxation on the land was therefore about £525,000; the actual receipts during the last two years have, however, not been so large, because it was thought right to postpone for a time the collection of the cess in parts of Northern India which had suffered from drought. Similar taxation was not imposed on the land in Madras and Bombay: the principal reason for this exemption was, that the salt duties had just been increased in those presidencies, and it was held to be inexpedient to impose cesses on the land at a time when the effects of the famine were still being felt, and when the salt duties were being increased. A license-tax on traders was first imposed in 1877 in the North-Western Provinces, and, in the following year, the present License Acts were applied throughout India. They yielded, at their maximum, about £820,000 net.

The total amount of what has been called the Famine Insurance taxation was therefore about £1,345,000.

LOCAL RATES AND LICENSE TAXATION STAND ON SAME BASIS.

54. Considering that precisely the same reasons were given by the Government, and accepted by the Legislature, for imposing fresh taxation on the trading and on the agricultural classes, with the object of protecting the country against the financial consequences of famine, and that special stress was laid upon our desire to make the burden fall with approximate equality on each of these classes, it would be difficult, for the present Government at least, to accept any proposition for treating them differently now. In fact, it would be hardly possible to maintain the cesses on the land, if the tax on trades were abolished. It might be more possible to defend the abolition of the cesses on the land and the maintenance of the tax on trades. But it is needless to discuss such questions. Practically, so far as we are now concerned, these taxes on the agricultural and trading classes stand on the same basis.

THEY CANNOT BE ABANDONED.

I need hardly say, after what has been said on former occasions, that the Government can entertain no idea of giving these taxes up, and of sacrificing a million a year of revenue. Even if these taxes were as bad as some think them, a time like the present, when we have to meet the heavy obligations entailed by a serious war, would not be opportune for abandoning them; still less could such a course be approved by those who believe with me, that these taxes are far less objectionable than others that could be named, and that when the time comes for remitting taxes, it is not with these that we ought to begin.

EXEMPTION OF SMALL TRADERS FROM TAXATION.

55. At the same time, the Government desires to make all practicable improvements in the assessment and the administration of the License Acts. It was this desire which led the Government to the conclusion, explained by me to the Council, when the Bill for amending those Acts last came forward, that it was desirable to exempt from liability all persons whose annual earnings are less than Rs. 500 a year. As I formerly said, we expect by this change to exempt from taxation about a million and three quarters of the smaller traders, and to lose £340,000. The Government still adheres to these conclusions.

EXTENSION OF TAXATION TO PROFESSIONAL AND OFFICIAL INCOMES RECONSIDERED.

56. Although, when this Bill was last before the Council, I was able to state that there had been great improvement in the financial position of the Government, I did not then venture to anticipate that the improvement would, when

we came to make our estimates for next year, be so considerable as it is now shown to be. It has necessarily obliged the Government to reconsider the question of the propriety of extending taxation to the official and professional classes, and thus making good the greater part of the loss incurred by the exemption of the smaller traders from the License Acts. Famine Finance. STANDARED SURPLUS.

Although the main object of the Government in this part of its proposals was a more equitable adjustment of taxation, we felt that it was hardly prudent to give up £340,000 of income without any compensation, and this was one of the reasons assigned for the proposal to tax the officials and professional men. The Government has now had to consider this question:—admitting—as we must do, in the present state of the finances—that we do not absolutely require the £240,000 which the contemplated taxation of these classes would yield, is it now desirable to impose it merely for the purpose of making our system of taxation more theoretically equal, and removing to some extent the reproach, which undoubtedly is true, that certain classes do not at present bear their full share of the public burdens? ORIGINAL REASONS THEREFOR.

If it had now been possible to attempt the removal of the numerous inequalities and anomalies which are inseparable from any such partial system of taxation as that which now exists, this would have been an object of high importance; but the mere extension of taxation to the official and professional classes would clearly be no complete solution of such a problem, although it might be a step towards it. On the whole, the Government thinks it better, for the present at any rate, not to press this part of its proposals. We have given up £340,000 from our existing taxes, and we do not ask that any fresh taxation shall be imposed. The amendment of the present law is desirable to carry out the exemption of the lower classes of traders, and for the removal of one or two difficulties which I shall explain later on; but with these exceptions no change is proposed in the License Acts now in force. EXTENSION ABANDONED.

57. I do not intend, My Lord, on this occasion to discuss afresh the vexed question of the Famine Insurance Fund or Surplus. There has been much misunderstanding between the Government and some of its critics as to what was said and as to what, though unsaid, we are presumed to have meant when the taxes to which I have referred were first imposed in 1877 and 1878: for this misunderstanding, so far as it has been due to want of precision in the explanations of our policy, I am prepared to accept my full share of responsibility, but for my part, I do not intend to refer to it again. I shall only say further that there has been, in regard to this matter, no change in the financial policy of the Government, nor is any change proposed now. In the following remarks, I shall endeavour to avoid controversy, and to refer only to actions and to facts which, whatever their motives and origin, can hardly be misconstrued. FAMINE INSURANCE FUND OR SURPLUS.

58. When the serious character of the financial obligations of the State in times of famine had been recognized, it became the duty of the Government of India to make sure that the public resources were adequate to meet the fresh strain imposed upon them. Upon careful inquiry we came to the conclusion that we must contemplate a liability from famine amounting, in loss of revenue and actual expenditure, to, on an average, £15,000,000 in ten years. It was clear that this liability must be included among our ordinary obligations, and that it would have been a fatal error to go on increasing the public debt to meet charges which must periodically occur. To enable us to discharge the liability thus estimated, we determined to aim constantly at a surplus of £1,500,000, supplemented by a further surplus of £500,000 to provide for extraordinary and abnormal demands other than famine, as, for example, to name the most serious of such demands, for war. STANDARD SURPLUS HOW FIXED.

This standard surplus of £2,000,000 was to be ascertained on a comparison of the revenues with the expenditure, exclusive of:—First, Productive Public Works, which, to whatever extent might be necessary, it was assumed might be provided for by loan; Secondly, Famine Relief, and loss of revenue due to famine; Thirdly, Protective works, *i. e.*, works not strictly fulfilling the definition of Productive Public Works, but constructed specially for the pro-

Famine Finance. Standard Surplus.

tection of the country against famine; and Fourthly, Abnormal expenditure, other than for famine, as, for example, on war.

I do not stay to inquire afresh how far the standard thus adopted was adequate to the object in view, namely, the solvency of the State, although I believe it to have been so; I only recite facts.

MEASURES FOR SECURING THE SAME.

59. In order to secure this standard average surplus of £2,000,000, the Government next resolved that it was necessary to increase the revenues of the country. The occasion for such increase was the recognition of the increased obligations of the State in times of famine, and the measures of taxation adopted were framed in the belief that there were certain classes upon which this particular burden ought primarily to fall. As I have already explained, that taxation amounted originally to £1,345,000. It has now been reduced to £1,000,000.

PREVENTION OF DEBT BY INCREASED FAMINE TAXATION.

60. Whether the public accounts show surplus, equilibrium or deficit, it is indisputable that these taxes must prevent debt by the exact amount which they yield, and that, when famine occurs, our resources for meeting it will be increased by an amount exactly equal to the amount obtained from these taxes, with compound interest upon them. This part of the subject needs no further remarks.

I have shown to-day that the precise burden borne by the country during these three years for this purpose has been or is estimated to be—

	£
in 1878-79	1,227,891
in 1879-80	1,184,000
in 1880-81	982,000
	3,393,891

The actual expenditure on famine relief has been or is estimated to be:—

	£
in 1878-79	313,420
in 1879-80	99,000
in 1880-81	5,000
	417,420

Therefore, the taxation thus levied in these three years, has enabled us to defray the expenditure on famine relief, and, moreover, to prevent debt to the amount of £2,976,471, with interest upon this sum. That this result has been achieved is self-evident, and, being independent of the surplus or deficit of the revenue as a whole, requires no further demonstration.

STANDARD SURPLUS SURPASSED.

61. I have perhaps already said enough upon the other part of this subject. The standard which we accepted was £2,000,000 revenue in excess of the expenditure on the ordinary account, excluding the expenditure upon famine, and other abnormal obligations. In my opinion this standard has been, in each of the three years of which I am speaking to-day, greatly surpassed.

It will doubtless be always right to scrutinise rigidly and jealously the validity of the grounds upon which any part of the public expenditure is excluded from the account upon which the surplus for comparison with our standard surplus of £2,000,000, is ascertained; but I believe that, if the accounts and estimates of the three years before us are subjected to the most severe criticism, it will be found that the actual and estimated surplus of revenue during this period does truly far exceed the £6,000,000 which, according to the standard which we have prescribed for ourselves, should be attained in three years, if the solvency of the State is to be ensured.

ILLUSTRATION FROM TEN YEARS' ACCOUNTS.

62. I find an apt illustration of our policy in this matter, ready to my hand, which I quote the more willingly because it is, in other respects, of much interest. According to present prospects, in the ten years ending with 1880-81 we shall have spent, all-told, including productive public works, war, and

famine, £36,848,000 more than our whole revenue. The items included in this expenditure, which should be excluded before applying our standard, are— Famine Finance. Public Works.

	£
Productive Public Works*	35,881,000
War in Afghanistan	9,250,000
Famine	14,607,000
TOTAL ...	59,738,000

Our revenue will have exceeded the rest of our expenditure by £22,890,000; and, but for loss of revenue from famine, this surplus would have been £25,890,000, or, on an average, £2,589,000 a year.

Thus, during these ten years, with an average surplus of £2,589,000 to compare with our standard of £2,000,000, we expect to have defrayed the whole cost of our famines and our wars, from our revenues, excepting only the trifling deficiency of £967,000. Considering the magnitude of our expenditure on famine and war during this period and the immense increase of charge under Loss by Exchange, this retrospect appears to me highly satisfactory. RETROSPECT SATISFACTORY.

63. I wish I could say that our plans for the construction of works for the actual prevention and relief of famine had been as successful as our financial arrangements have been. And this brings me, My Lord, to another part of my subject. ORIGINAL PROGRAMME OF WORKS FOR PREVENTION AND RELIEF OF FAMINE

Financial safety was by no means our sole object. We felt not only that we had financially to provide the means of relieving famine when it occurred, but that the equally important duty devolved upon us of doing everything which it was possible for a Government to do, towards preventing these most terrible of all natural calamities, and furnishing the country with the machinery by which, when they occurred, the largest practicable amount of relief could be most speedily and effectually distributed. The new taxation and the other measures by which our finances were improved, would give us, we believed, the means of carrying out these objects with a certainty and rapidity which would otherwise have been difficult.

The investment of our surplus in Productive Public Works was, from a merely financial point of view, in no sense essential to our scheme, and it will be seen, from what has been said elsewhere, that this part of our plans was modified by the orders of the Secretary of State in a manner to which, on financial grounds, we could take no exception. But we certainly contemplated the extensive construction of works for the protection of the country against famine; and it was to these projects that public attention was mainly directed, and in them the public naturally and rightly felt a deeper interest than it could take in any merely financial arrangements. SUBSEQUENTLY MODIFIED.

64. A nobler programme was, in my opinion, never put forth by any Government than that put forth by Your Excellency; a more beneficial scheme was, in my judgment, never formed for the material improvement of any country, than the scheme which Your Excellency explained to this Council on the 27th December 1877, in your Minute of March 1878, and on other occasions I desire to remind the Council and the public of what the plans of the Government of India were, and to explain why they have not been carried into effect as completely as we desired. ITS BENEFITS.

65. I wish, My Lord, it were possible for me to read to the Council, and incorporate in this Financial Statement, Your Excellency's speech of the 27th December 1877. As I cannot do this, but am anxious to place the whole case in the clearest light, I must ask Your Excellency's permission to string together some passages from that speech, for I could not describe the programme of the Government in any words so good as those which Your Excellency used— VICEROY'S PROGRAMME OF DECEMBER 1877.

"The measures now before the Council have, for their principal object, the provision of that increase of the public income which experience has proved to be the first condition of any

* Including £11,076,000 spent on what I have called doubtful works.

Famine Finance. Public Works.

practical insurance against famine; and, therefore, it is only proper that the Council should know how we intend to employ the resources which its adoption of these measures will place at our disposal for that purpose. * *

"Of the countless suggestions made from time to time, and more especially during the present year, for rendering less bitterly ironical than it still seems, that famous inscription on the huge granary built at Patna, for 'the perpetual prevention of famine in these provinces,' there are only three which merit serious consideration. These are firstly, Emigration; secondly, Railways; and, thirdly, Irrigation Works. Unfortunately for India, the first of these three material factors in the practical solution of problems similar to those we are now dealing with, is inapplicable, or only very imperfectly applicable, to the actual conditions of this country; * * though emigration unquestionably claims our fostering encouragement, I fear that, for many years to come, we must practically exclude this expedient from the list of those on which we mainly rely as a means of insuring the population of India against the calamities of periodical famine. The conclusion thus arrived at forcibly confines our immediate efforts to the most rapid development, by the cheapest methods, combined with the most appropriate and efficient application, of the only two remaining instruments for increasing the produce of the soil, facilitating its circulation, and thereby improving the general social condition, and augmenting the collective wealth, of the whole community. Those instruments are railroads and irrigation works.

"Now the incalculable value to India of her present railways has been unmistakeably demonstrated during the past year; and the Government is unquestionably bound to stimulate the extension of this class of works to the greatest extent and with the greatest rapidity, consistent with the requirements of financial prudence.

"* * It is an unquestionable fact, that the railways, and the railways alone, were the alvation of the situation in Northern Behar during the famine of 1874; and that they have again been the salvation of the situation in Madras during the famine of the present year.

"* * Had there been no railway within reach of these districts, the people, where they have now died by hundreds, must have assuredly succumbed by thousands.

"I am satisfied that the development of a network of subsidiary lines of railway, giving the means of transport through every district of British India, has become a matter of vital necessity for the attainment of the great object now before us. Our present object is to render available within the shortest possible time a maximum length of line, especially constructed for a slow goods traffic, rather than to provide those more ample conveniences for passengers and goods, which have commonly been deemed necessary for all Indian railways hitherto constructed. * * *

"The early conclusion of such an undertaking must necessarily depend upon its financial practicability; and, for this reason, all minor considerations must be subordinated to the most rigid economy in construction, and the most severe limitation of the works to what is indispensable for the efficient exercise of their special function. But, if these conditions be duly complied with, I have confidence that, at a comparatively early period, we shall, without any strain upon our financial resources, have extended to all parts and provinces of our empire the most efficacious protection, not indeed from dearth (for that is impossible), but from those terrible effects of dearth which now generally terminate in famine.

"These, then, are the principles on which we are prepared to apply at once to the extension of our railway system, as a means of insurance against famine, an adequate proportion of the resources at our command for that purpose. * * * * * *

"We propose to apply to the extension of irrigation works precisely the same principle and policy. * *

"I am not now speaking of what we ought to do, or would do, to ensure this country against the worst effects of future famine, had we only the means of doing it; but of what we can do, and will do, with the means already provided for in the measures now before the Council. I do not mean to say that the construction of such an extensive system of local railroads and irrigation works as we propose to undertake, will not be the gradual task of many years. But I do mean to say that, in the manner and on the principles already explained, we are now providing for the prompt commencement, and uninterrupted continuation, of this great and necessary task. We are systematising a policy, the principles of which have been repeatedly proclaimed and approved by our predecessors. We are associating with it the interests, the powers, and the duties of our local administrations. We are providing them with the means of permanently prosecuting and developing it, not without reference to our financial control, but exempt from the distressing uncertainty which has hitherto been inseparable from the practical execution of this policy, in consequence of the obligation, which has till now rested upon the Government of India, with the very limited funds at its disposal for the prosecution of public works, to choose, from year to year, between the conflicting claims upon its purse of the various and dissimilar localities of this spacious Empire."

CONSTRUCTION OF PRODUCTIVE PUBLIC WORKS DEFENDED.

66. My Lord, I am convinced that the policy, which Your Excellency thus proclaimed your resolution to carry out, was not only wise and humane, because it provided the only possible means by which the Government could protect the country against the future calamities of famine, but that, financially,

it was sound and prudent. Notwithstanding many mistakes which, in transactions of such magnitude, were inevitable, the policy by which, for many years past, we have been constructing railways and canals in India was, in my belief, sound and statesmanlike in its conception, and its practical results have been triumphantly successful. The wealth of the country, and the prosperity and happiness of its people, have been increased by it to an incalculable extent; the consequent gain to the country and the public finances has been immense, and is not to be measured by figures showing only the direct returns from the works which have been constructed. For my part, I see no drawbacks, no dangers, and no disadvantages, which deserve to be weighed for one moment against the benefits which have been derived. The Government of Your Excellency desired to extend and develop this policy, and hoped, by the construction of a network of cheap railways and of carefully planned works of irrigation, to do all that it was in the power of a Government to do, to prevent the frightful calamities of famine to which the country is now periodically exposed. We believed, and I believe still, that we could do this not only without financial risk, but with certain financial advantage.

Limitation of construction of Productive Public Works.

67. The Local Governments shared our convictions and our expectations. Sir Ashley Eden, the Lieutenant-Governor of Bengal, was prepared to undertake, from the resources already assigned to him, a system of railway communications which, without costing the imperial revenues a shilling, would, he believed, have added millions to the wealth of his great province. Sir George Couper sent us up a scheme, carefully prepared by my friend General Fraser, for constructing a complete system, some twelve or thirteen hundred miles in length, of light railways, which, in combination with works of irrigation, would have gone far, if not to make future famines in the North-Western Provinces improbable, at least to render the relief of such famines a comparatively easy and a certainly successful operation.

AND SUPPORTED BY LOCAL GOVERNMENTS.

68. My Lord, these visions have for the present, but I hope only for the present, faded. The plans which Your Excellency described to the Council two years ago, and which I have repeated to-day, have not yet been carried out; we have had to defer the hope of protecting the country against famine by the rapid development of railways and works of irrigation; and not only this, but we have even been compelled largely to reduce the expenditure which, for many years past, we have been incurring on works of this description.

BUT DEFERRED OWING TO RESTRICTION OF EXPENDITURE ON PRODUCTIVE WORKS.

My Lord, I shall not call in question the sufficiency of the reasons which led Her Majesty's Government, and a Committee of the House of Commons, to think that a very large reduction should be made in the expenditure of the Government of India on Productive Public Works; nor is it necessary that I should now repeat those reasons, because they have been fully explained in the Report of the Committee, which was published during the last session of Parliament. Nor do I wish it to be supposed that I am insensible to the advantages which we derive from this temporary restriction of expenditure. It has enabled us to carry out in a way which might otherwise have been hardly practicable, important reforms in the Public Works Department, and to get rid of hugely overgrown establishments.

69. The limit of £2,500,000 which has been placed on our annual expenditure on productive public works has avowedly no sort of finality. "The amount to be annually expended" (I am quoting from the Report of the Committee of the House of Commons) "should mainly depend upon the financial condition of India, and should, therefore, for the present, be limited to an amount of £2,500,000, as recently fixed by the Secretary of State for India in Council." Considering what our financial condition already is, and what we hope it will be in the future, I predict with confidence that the check, which has been placed upon our expenditure on useful works essential to the progress of the country and to its protection against famine, will be only temporary, and that the execution of the plans described by Your Excellency two years ago has been only temporarily deferred. But at the same time I wish to make it clear that, if the Government of India has failed for the present fully to carry out its programme for the construction of material works for protecting the country against famine, no responsibility

PRESENT LIMIT OF SUCH EXPENDITURE.

Cotton Duties.

for that failure rests upon us. While I say this, I must again ask the Council to remember that, however much we may regret this disappointment, it in no way affects the financial efficacy of the measures taken to enable us to discharge our obligations in times of famine without fear of insolvency. Nothing can prevent the success of those measures, which have been subjected to this modification only, that, owing to the improvement of our general financial position, we have ventured to dispense with about a quarter of the additional taxation (amounting at its maximum to £1,345,000 a year) which was their main feature.

POLICY AS TO EXPENDITURE ON PRODUCTIVE PUBLIC WORKS DEFINED.

70. I may here notice, with regard to the policy of the construction of productive public works, that, although the correspondence on the subject between the Government of India and the Secretary of State is not concluded, it is understood that the following points have been settled for the present:—

i. That any money which it may be necessary to borrow for the construction of such works shall be borrowed in India in rupees, and not in London in sterling money.

ii. That not more than £2,500,000 a year, on an average, shall be thus borrowed, in addition, however, to any capital expended upon the East Indian Railway or any other undertaking which may be hereafter acquired by the State in like manner; in addition also to any money which may be lent to the Government of India by Native States for the construction of productive public works.

iii. That the yearly grant for the construction of productive public works shall not exceed £2,500,000 in addition to the capital expended upon the East Indian Railway or any undertaking similarly acquired hereafter, and to the expenditure upon any works the funds for the construction of which are lent to the Government of India by Native States.

iv. That the unexpended portion of the grant of the past year may be re-granted for expenditure in the following year. The object of this provision is to prevent the waste and inconvenience incident to the lapse of unspent grants for the construction of public works.

As already explained, the grant for the construction of productive public works in 1880-81 has been regulated strictly by these principles.

CUSTOMS TARIFF DUTY ON COTTON GOODS NOT FURTHER REDUCED AT PRESENT.

71. There are, My Lord, various questions connected with the customs tariff to which I must now refer.

Beginning with the import duties, there is first the duty on cotton goods, and this is a subject of which I cannot speak without some reserve, because there has been in past times, as everybody knows, no unanimity of opinion regarding it among the members of the Government. Speaking, as I now am, on behalf of the Government generally, I desire to say nothing to which any of my colleagues might take exception, and, although it will not be possible for me altogether to avoid the expression of my own opinions on questions of past and future policy, I hope it will be understood that I shall, in giving such opinions, be stating only what I myself think.

The Government does not at present propose to make any alteration in the duties actually levied on cotton goods. There are, however, obvious and serious defects in the existing system, and no one can say that it can long be maintained.

NO LONGER PROTECTIVE BUT ADMITTEDLY ANOMALOUS.

72. The measures taken during the last two years, whatever other results may have followed, have at least effected the particular object for which they were declared necessary. They have, for the present, removed all grounds for the complaint, that we were levying protective duties in favour of the Indian mills in their competition with English manufacturers. Some classes of English goods may be unduly favoured in comparison with other classes of English goods; but no protection remains for the special benefit of goods produced in India.

When, last year, Your Excellency decided that it was impossible to defend the maintenance of the duty on certain classes of cotton goods, because it had a distinctly protective character, it was thought right to make a considerable sacrifice of revenue for its immediate removal. Whether the course adopted was right, as I then thought and think still, or whether it was wrong, is a question which I will not now discuss, but the Government feels that it

cannot at the present moment go further, or submit to loss of revenue beyond that which the measures of the last two years have rendered unavoidable. Cotton Duties.

73. I must say something of the effect which those measures have actually produced. Mr. Hope's Commission stated in its report last year that the remission of duty on all goods made of 30s and under "would probably soon effect a complete revolution in the piece goods trade," and it quoted, in support of its own conclusions, a report by Mr. Pritchard, the Commissioner of Customs in Bombay, who, with reference to this remission, wrote as follows:— EFFECT OF ABOLITION OF DUTY ON COARSER COTTON GOODS.

"It will operate to create a new class of shirtings made of yarns 28 by 29 or 30, instead of the present standard quality of 32 by 36. This will pass free of duty, and, if it finds favour in the market, will take the place to a large extent either of the long cloths or of the shirtings now used, or of both."

The Commission also quoted the following opinion of a large mercantile firm:—

"There can be no doubt that a trade in cloth made of yarn just within the limit of exemption of duty would be fostered, and which might gradually become of considerable importance. Such cloth would probably be appreciated by consumers for its intrinsic value, as well as for its comparative cheapness, owing to there being no duty upon it; and, if this should be the case, it might do away with the importation of cloth made of yarns varying from 32s upwards."

74. I quote these passages, because the actual results have closely corresponded with the anticipations thus formed by the Commission and adopted by the Government. The chief difference has been that those results have followed more rapidly than either the Commission or the Government expected. ANTICIPATED.

The immediate consequence of the exemption from duty of goods containing no yarn of a higher number than 30s, was the rapid development of the manufacture and import of a new class of goods made of 30s and lower counts. In consequence of their superior relative cheapness, these duty-free goods have rapidly become popular; and the experiment having thus proved successful, the tendency is now to make of the coarser yarns all cloth for which they can be used, and to substitute the coarser for the finer fabrics formerly made of yarns ranging from 30s to 40s. This process has already reached such a point, that last month the duty-free shirtings and longcloths constituted more than 74 per cent. of those kinds of imported goods, and the dutiable qualities of some other classes of goods have almost disappeared from the market. We estimated last year that we might lose in the first year revenue to the amount of £150,000, and in subsequent years more. It is now probable that the loss in the first year, now about to close, will be nearly £200,000, and for the coming year it is estimated at £50,000 more.

75. Now, clearly, the present state of things is not satisfactory. We are holding out to English manufacturers a strong inducement to supplant finer by coarser classes of goods, and it has been forcibly represented that these and other anomalies ought not to be left uncorrected. I may refer in particular to a letter addressed to us by the Bengal Chamber of Commerce. The Chamber points out that the declaration made last year by the Government, that "it is not reasonable that certain goods should be admitted free, while large quantities of goods of almost precisely the same character in every thing but name remain liable to duty," is still true, with this difference, that the hardship is now "not caused by the competition between Lancashire and our local mills, but by competition amongst Lancashire manufacturers themselves, to secure the full benefit of the Government of India's last act. They do not, however, carry less weight on that account." The letter of the Chamber has been seen by the Council; I need not repeat the forcible illustrations which it contains of the anomalies which now exist, but I fully admit the accuracy of its statements. BUT ANOMALOUS AND OBJECTIONABLE.

The Chamber says that "to all appearance, these duties are dying a natural death, and as that process involves serious anomalies and hardships, it is a question whether the present is not a fitting moment to abolish them *in toto*. To the Committee there does not appear any other course open, consistent with the declarations of Government, to which they have referred."

Cotton Duties.

76. If I could now put aside financial considerations, I should say that this conclusion of the Chamber is perfectly right. I may add that the alternative course which it has suggested as possible, namely, the recall of last year's exemptions, and the re-imposition of a uniform duty of 2½ per cent. on all imported cotton goods, would not only be, in my opinion, objectionable in itself, but seems impracticable, because it would be opposed to the policy laid down for our guidance by Parliament, and by Her Majesty's Government. That policy was declared on the 4th April 1879, by the House of Commons, in the following Resolution:—

> "That the Indian import duty on cotton goods, being unjust alike to the Indian consumer and the English producer, ought to be abolished, and this House accepts the recent reduction in these duties as a step towards their total abolition, to which Her Majesty's Government are pledged."

PRESENT ANOMALIES CANNOT BE IMMEDIATELY REMEDIED.

I need not pursue this subject further. It is impossible to deny that the present state of things is anomalous and objectionable. The Government will give to this question in the future that constant attention which its importance demands, but it cannot, at the present moment, make the large sacrifice of revenue which its complete solution would involve, and, as a provisional arrangement, meanwhile, it does not seem possible to draw any line better than that drawn last year. The abolition of the remaining duties on cotton goods would cost us £600,000, in addition to the £250,000 which we have given up already.

I may remind the Council that the measures of last year were not hastily taken, and that they were in precise accordance with the specific recommendations of the Chambers of Commerce of Manchester, of Bengal, and of Bombay. I may add that, although I cannot doubt that the objections to which I have referred must have been felt as strongly in Lancashire as anywhere else, the Government has not received from the English manufacturers any complaints regarding them.

PERSONAL EXPLANATION.

77. Although, my Lord, I do not intend to discuss the propriety of the course that has been followed in regard to the removal of the duty on cotton goods, I must ask Your Excellency's permission to say a few words on what is, in some respects, a personal matter. We are constantly told that these measures have been adopted in disregard of the interests of the people of India, and in obedience to the selfish demands of the Manchester manufacturers. If, my Lord, we had, indeed, manipulated, in the interests of England or of any political party in England, the taxes paid by the people of India, our conduct would have been not only shameful and odious, but absolutely criminal, and I, as Your Excellency's chief constitutional adviser in the financial measures of the last two years, must have borne my share of the responsibility. But for myself, who have taken part in these measures, I wish to say that I hardly remember the time when I did not argue, in the interests of India, for the removal of these and all other restrictions on her commerce. I advocated the abolition of these duties before, to the best of my belief, Manchester had herself discovered that she was injured by them, and long before Lord Salisbury had proved in his despatches, in a manner which seems to me unanswerable, the serious injury which they were inflicting upon this country. As I said in my first Financial Statement three years ago, I would not have accepted my present office, if I had not hoped that I should have an opportunity of co-operating with Your Excellency in carrying out what, I may say without exaggeration, have been the convictions of a life-time. I have had that opportunity. The cotton duties are, in my opinion, virtually dead.

APPROACHING PROBABLE ABOLITION OF ALL CUSTOMS DUTIES IN INDIA.

78. Before leaving this subject, I think it right once more to point out that we ought not to shut our eyes to the consequences which, as it seems to me, must inevitably follow from the loss of the cotton duties. Whether those consequences ought, as I believe, to be welcomed as fraught with a great development of wealth and prosperity to India, or ought, as others think, to be looked on as disastrous, we cannot wisely shut our eyes to the fact that the abolition of the duty on cotton goods will involve in all probability the loss of a great

part of our revenue from sea customs. In the Financial Statements for 1877-78 and 1878-79 this was clearly pointed out. In the former of these, I said that I looked forward with confidence to the almost total abolition of customs duties in India, and I used these words:—"I do not know how long a period may elapse before such a consummation is reached, but, whether we see it or not, the time is not hopelessly distant, when the ports of India will be thrown open freely to the commerce of the world." Customs Reforms.

My Lord, the fulfilment of this vision seems to me now not far off. It was shown in the Financial Statement for 1878-79 that, putting aside the duties levied on salt and alcoholic liquors, which stand on special grounds, and on which internal excise duties corresponding with the customs duties are imposed, there would remain, apart from the cotton duties, a very small amount of import duties. Taking the estimates for the coming year, the net sum which we expect to receive from the sea customs duties, exclusive of salt, alcoholic liquors, and arms, is £1,115,000. The cotton duties will yield say £615,000, and, if I am right in believing that they must ultimately be altogether given up, our whole import duties would then yield only about £500,000. The truth is that cotton goods are the sole article of foreign production, which the people of India now largely consume, and there is no present possibility of a large customs revenue from anything else. Will it be possible, when cotton goods have been freed from duty, still to tax woollen goods and many other articles? And can it be believed that we should long maintain our customs establishments for the sake of obtaining the insignificant revenue that would remain?

79. I know only one suggestion which seems to deserve discussion, for saving a considerable portion of our customs revenue. I do not remember by whom it was first made, but I have heard of it for a good many years past. I believe that it really had its origin in a plan which at one time Mr. Gladstone thought of for England. My hon'ble friend, Mr. Hope, has lately given it his attention. SUBSTITUTION OF REGISTRATION FEES FOR CUSTOMS DUTIES.

Starting with the assumption that our customs tariff on its present footing cannot be maintained, this suggestion is that, instead of customs duties properly so called, we should, with certain exceptions, levy on all articles imported into India, and possibly, also, on those exported, a registration fee at a very low rate. In this way, it is urged, we might obtain a considerable revenue in an unobjectionable way. I give no opinion of my own, much less do I give any opinion on behalf of the Government, in favour of this scheme, and all I say of it is that it deserves to be considered.

80. Another solution of these difficulties has lately been suggested, but it seems to me unsound in theory, and impossible in practice. It is that a sort of treaty of commerce should be entered into between England and India, on the principle that India will admit all English merchandize free, on condition that England gives up the duties which she now levies on Indian tea and coffee; if, it is added, England, in order to maintain her duty on China tea, prefers to continue to levy duty on tea and coffee from India, she might pay the proceeds amounting to a million a year, into the Indian Treasury. SUGGESTED RECIPROCITY BETWEEN ENGLAND AND INDIA CONDEMNED.

Of course we should be glad to see the English or any other duties on Indian tea and coffee or on anything else removed; but, if free trade be good for India, it is good for her whether other countries maintain duties on Indian products or not, and the fact that England (for, as it seems to me, excellent reasons) taxes our tea and coffee, is no reason for our taxing her cotton manufactures, and almost everything else that we get from her. To maintain the contrary is, to maintain the old delusion of reciprocity. In regard to the suggestion that England should pay to India the million which she levies on Indian tea and coffee, this is clear, that, whoever else might profit from such an arrangement, it would not be our tea and coffee interests. They would have to pay as much as before, nor would they be reconciled to the new arrangement by the reflection, that it was almost equivalent to the imposition upon them of an export duty for the purpose of saving the English treasury from loss, and for the benefit of the general revenues of India. NOT BENEFICIAL TO TEA AND COFFEE INTERESTS.

Customs Reforms.

81. I must add that I do not know why tea and coffee have alone been mentioned, as if they were the only articles of Indian production on which England levies any duty. There is tobacco, from which England derives a revenue of between eight and nine millions; I hope and believe that Indian tobacco has before it a great future; I should be delighted to see every legitimate encouragement given to its production; but I cannot conceive how it can be admitted into England free of duty. As, however, the adoption of the proposals, to which I have alluded, would practically lead to the surrender by England of the greater part of her customs revenue, I need hardly say more on this subject.

EQUALLY APPLICABLE TO TOBACCO.

BUT IMPRACTICABLE.

DUTIES ON EXPORTS.

82. Leaving the import tariff, I come now to questions connected with the duties on exports. Since 1875, the only export duties have been those on indigo, lac, and rice.

EXEMPTION OF INDIGO FROM EXPORT DUTY.

83. It is surprising that the duties on the two first of these articles should have survived so long. Nobody has ever defended them, and the only reason assigned for keeping them has been that the Government could not give up the revenue yielded by them, though this has never been great. The average amount derived annually from the export duty on indigo is £42,000. The duty is levied at a fixed rate on quantity, so that the revenue does not fluctuate with the fluctuation of prices. On the finer qualities the incidence of the duty is not much over one per cent.; on the lower qualities it may be as much as four per cent. The cultivation of indigo by natives of the country has, in Northern India, been somewhat rapidly increasing, and the duty falls much more heavily on the qualities made by them, than on the better qualities turned out by the factories managed by Europeans. Indigo from Central America competes with ours in the European markets, but not very actively; and a more serious future danger to this industry is probably to be found in the competition of chemically prepared substitutes. The danger is not the less real because no efficient substitute has yet been found. The progress of scientific discovery is now so rapid, that we might hear almost any day that this highly important Indian industry was seriously threatened, and we should then be exposed to the deserved reproach that this competition had been stimulated by the suicidal folly of our fiscal legislation. Export duties enjoy the credit of having ruined the Indian trade in saltpetre; they were taken off when it was too late to repair the mischief; the Government does not wish to run any similar risk with indigo. A notification will, therefore, be issued to-day under the powers conferred on the Governor General in Council by the Sea Customs Act, 1878, exempting indigo from liability to export duty.

AND OF LAC.

84. The same notification will abolish the equally indefensible export duty on lac. The trade in lac has been in a depressed condition, and during the last two years the average amount of revenue yielded by the duty has been only about £9,000.

85. I do not think that any one will question the propriety of these exemptions. Taking them both together, they involve a loss of about £54,000 a year.

EXPORT DUTY ON RICE RETAINED.

86. The only export duty, which will now remain, is that on rice. It yielded, in 1878-79, a net revenue of £556,000. As it is an export duty, it is often assumed that its effect must be more mischievous than that of any import duty. No one can be more alive than I am to the economical objections to export duties; but this duty on rice is, in my opinion, at the present moment, less open to objection than some of our other customs duties. I have before me a valuable note by Mr. O'Conor on the Indian rice trade. It is shown that more than half of our exports of rice goes to Europe. Of the remainder, the greater part is consumed in the countries near India, such as Arabia, Persia, Ceylon, the Straits, &c., or is sent to various colonies, of which Mauritius is the most important, for the supply of the cooly population. The table rice exported from Bengal to Europe is used as food; other qualities, and the rice from Burmah, a thick coarse grain, is chiefly used for distillation, or for conversion into starch.

Equalisation of Salt Duties. AND BY REASON OF INDIA'S PRACTICAL MONOPOLY OF RICE TRADE, NOT SPECIALLY OBJECTIONABLE.

87. There is practically, at the present time, no competition with India on the part of other countries in Asia or America in the rice trade. Great apprehensions were expressed some years ago of the competition of Saigon. Similar apprehensions have been felt in regard to Siam. As yet these apprehensions have not been justified; but I must observe that there has been this year a large increase in the export of rice from Saigon to Europe. Northern Italy produces a good deal of rice, and sends large quantities to France; other countries furnish smaller supplies. Rice cultivation, which was formerly very extensive in North Carolina, has ceased to be important, and little rice now goes from the United States to Europe. Thus, although it would not be correct to say that India has a monopoly of the trade in rice, she has something approaching to it, and, so long as this remains true, it cannot be said that the export duty has a seriously injurious effect on Indian interests. At the same time, it is impossible to say how long this may continue true; the Government cannot keep too watchful an eye on the rice trade, and must be prepared, if it should become necessary, to take immediate action. While, therefore, I am not prepared to say that our export duty on rice is at the present moment especially objectionable, I feel that we cannot count upon it as a permanent source of revenue, and if we could afford the loss, I should be very glad to get rid of it. The exports of rice from India, during the last seven years, have not very greatly varied in quantity. In 1873, the year before the Bengal famine, they were 1,164,697 tons; in 1875, in consequence of the famine, they fell to 869,646 tons, and this was the lowest amount reached; in 1879 they had again risen to 1,061,861 tons, and the trade is now again increasing.

PROSPECTS OF RICE TRADE.

88. Considering that, between 1874 and 1878, the country was passing, with hardly any intermission, through a period of drought and famine, and that vast quantities of rice were absorbed in feeding the famine-stricken population, it is satisfactory to find that exports to other countries should have shown little diminution, and that the enormous increase in prices should not have interfered materially with the foreign demand. In 1878-79, although prices still ruled high and an active demand continued for internal consumption, the exports nearly attained the level of the trade previous to the famine period. This year the exports will, it is thought, exceed those of last year, and, if harvests continue good, next year will probably be a time of great activity in the rice trade.

FULLEST APPLICATION OF PRINCIPLES OF FREE TRADE DESIRABLE IN INDIA.

89. In leaving this part of my subject, I will only add, that I am as sure as ever that there is no country in the world in which the fullest application of the principles of free trade is more desirable than it is in India. India (to repeat what was said in the Financial Statement for 1878-79) "is a country which, from its poverty, the primitive and monotonous condition of its industrial life, and the peculiar character of its political condition, seems to require from its Government, before all things, the most economical treatment of its resources, and, therefore, the greatest possible freedom in its foreign exchanges." I confidently believe that the time is not far off when the truth of this will be generally recognized.

MEASURES FOR EQUALISATION OF SALT DUTIES SUCCESSFUL.

90. The re-adjustment of the salt duties, to which I must next refer, has proved a very successful measure. It will be in the recollection of the Council that, at the end of 1877, a step was taken towards equalizing the rate throughout India, by raising it, in the Presidencies of Madras and Bombay, from 1 Rupee 13 annas to 2 Rupees 8 annas per maund, and by lowering it, in the Lower Provinces of Bengal, from 3 Rupees 4 annas to 3 Rupees, and, in the Upper Provinces, from 3 Rupees to 2 Rupees 12 annas per maund. In the following August, a further reduction was made of 2 annas in Lower Bengal, and of 4 annas in the Upper Provinces. By these means a uniform rate of 2 Rupees 8 annas per maund has been established throughout India, except in Bengal, where the duty is 6 annas higher, and in Burma and part of the Punjab trans-Indus, where it is nominal.

On the 1st October 1878, the salt sources which the British Government had, under recently negotiated agreements, obtained on lease from the Native States in Rajputana, were taken over, and at these, as well as at the Sambhar Lake already in our possession, the duty of 2 Rupees 8 annas per maund was then levied on all salt, excepting that exempted under the agreements just mentioned, the details of which were fully described in the Financial State-

Equalisation of Salt Duties.

ment last year. Considering that this result has been obtained not only without any general increase in the rate of duty on salt, but with a large reduction of that rate throughout by far the greater part of India, and simultaneously with a reduction of price to the vast majority of the population, I think we may congratulate ourselves on the success of our policy.

It was formerly shown that, by the re-adjustment of the rates of duty, we hoped to lower the price of salt to 130,000,000 of people, while only 47,000,000 were affected adversely. Rajputana and Central India are now liable to the salt tax, but a portion of the population still obtains its salt free of duty, and another portion pays only half the usual rate. Throughout the greater part of these States the price of salt, independent of the duty, has been greatly diminished, not only directly, but by the extension of railways. The people have further been relieved by the abolition of local transit duties, and by the abolition of the British duty on sugar taken across the now defunct Inland Customs Line, which yielded £150,000 a year. The Government is now endeavouring to redeem all remaining transit duties on salt in Rajputana and Central India, so that the transport of salt may everywhere be free from restriction.

INLAND CUSTOMS LINE FINALLY ABOLISHED.

91. The Inland Customs Line, on the enormities of which I have so often dilated, finally disappeared at the commencement of the present official year. When I think of this abominable barrier, which was likened to the Great Wall of China, stretching 2,000 miles across the whole of India, so that, if it had been put down in Europe, would have reached from London to Constantinople, with the countless evils that it entailed, I find it difficult not to begin again my old expressions of indignation. However, it is now dead, and I congratulate Your Excellency and the country on the fact. By its disappearance we have saved about £100,000 a year.

RESULTS OF POLICY AS REGARDS CONSUMPTION OF SALT AND SALT REVENUE AND EXPENDITURE.

92. I will state to the Council the principal facts in my possession, illustrating the effect produced by our measures on the consumption of salt and on the public revenues.

We have complete returns for the first ten months of the present year. Comparing these with the returns for the same period in 1877-78, the last year in which the old rates of duty were in force, there has been an increase of consumption, throughout India, amounting to about 2,400,000 maunds; the total consumption in the former period was 20,373,000, and in the latter period 22,776,000 maunds. More than 537,000 maunds of this increase is the increase in Lower Bengal, and nearly 1,900,000 maunds in Northern India. About a third part of the latter is attributed to the consumption in the Native States of Rajputana and Central India. In Madras and Bombay there was a small falling off in the consumption, which fell from 8,850,000 to about 8,654,000 maunds, or by 196,000 maunds. The reduction in Madras is believed to be more apparent than real, because a large number of the population consume untaxed salt. The law relating to salt in the Madras Presidency is as yet very leniently enforced, or is, perhaps, not sufficiently stringent.

In making the above comparison, I have taken the most unfavourable figures for my own argument that I could find; 1877-78 was the great famine year, but nevertheless for some reason, which I have failed to understand, the amount of salt taxed in Madras in that year was, as I noticed in the last Financial Statement, extraordinarily large.

If we compare the returns for the first ten months of the present year with those of 1876-77 (and, if I went further back, my case would be still stronger), we find that, taking the whole of India, there has been an increase in the total consumption of 2,718,000 maunds, or from 20,058,000 to more than 22,776,000 maunds; and this increase has been spread over the whole country. In Lower Bengal the consumption has risen from 6,822,000 to 7,682,000 maunds, and, notwithstanding the reduction of duty, the revenue has only fallen off by £30,000, or from £2,220,000 to £2,190,000.

In Northern India the consumption has risen from 3,775,000 to 5,442,000 maunds, and, in spite of the reduction of duty, the revenue has increased from £1,142,000 to £1,348,000. Even in Madras and Bombay, where the duty was

increased, and where the revenue has risen from £1,662,000 to £2,155,000, the consumption has increased from 8,641,000 to 8,654,000 maunds. Financial Improvement, 1879-80.

The figures I have just quoted refer to revenue derived from the duty on salt. There are, besides this, large receipts from other heads, such as the sale price of Government salt.

In 1877-78 the gross salt revenue of the whole year was under 6½ millions sterling; in 1878-79 it had risen to 7 millions; the Regular Estimates for the current year exceed 7⅓ millions, while, for next year, our estimate of salt revenue is 7½ millions. Thus the improvement is expected to be more than one million in four years.

While the revenue has thus increased, the salt expenditure has diminished from £508,000 in 1875-76 to £404,000 in 1878-79, and is estimated at £368,000 in 1880-81. Against this saving in expenditure, however, must be put £253,000 on account of the annual compensations paid to the Native States and to Portuguese India; this, with £70,000 for the Sambhar Lake, is charged in the public accounts under *Allowances and Assignments*.

93. I think, my Lord, I may now say confidently that the wisdom of the policy followed in regard to the equalization of the salt duties has been proved by experience. To what extent the increased consumption and lower price of salt throughout the greater part of India have been the consequence of the reduction of the duty, and to what extent they have been attributable to the extension of railways, to the general improvement of communications, the opening out of new markets, and the increase of the population, it is not possible to say; these various influences have, doubtless, all contributed to the result; but it was with the knowledge, and indeed with the certainty, that all the conditions with which we had to deal were highly favourable to the success of our policy, that we were induced to adopt it. WISDOM OF POLICY VINDICATED BY EXPERIENCE.

94. I must add that we received a few weeks ago a representation from the President of the Salt Chamber of Commerce, Cheshire and Worcestershire, to the effect that one of the results of our late measures has been an increase of the former difference between the rates of duty on Liverpool salt and that produced in Northern India, which places the former at a greater disadvantage than heretofore, and has driven it back from markets in Behar formerly supplied by it. Although, as I have already shown, there has lately been a great increase in the consumption of Liverpool salt in Bengal, careful inquiry is now being made into this subject. But, whatever may be the result of that inquiry, I may say at once that, although the Government cannot, at the present moment, make any further reduction in the Salt Duty in Bengal, it fully recognises the necessity of completing, as soon as possible, the actual equalization of the duty throughout India. It is an essential part of our policy to do so, and I feel sure that the measures which have still to be taken will prove as satisfactory to the country, and as beneficial to the revenue, as those of which I have been describing the results. NECESSITY FOR FURTHER EXTENSION OF POLICY RECOGNISED.

95. When, my Lord, the Financial Statement for 1879-80 was published a year ago, we were far from foreseeing the extraordinary improvement which was about to take place in our financial position, and which we now perceive had even then commenced. The loss caused by the great disturbance in the relative value of gold and silver had reached alarming proportions, and there was nothing to re-assure us regarding the future. We were engaged in war; the surplus which we considered necessary to protect the country against the financial consequences of famine had disappeared; our estimates, apart from the war, showed a surplus of only £605,000. We decided, however (to quote the words of the last Financial Statement), that it was "wise to abstain from imposing any fresh burdens on the country, and to accept the temporary loss of the surplus by which it was hoped that an insurance against famine had been provided." IMPROVEMENT IN FINANCIAL POSITION NOT FORESEEN.

96. I see nothing to be ashamed of in our want of foresight. I do not see how we were to know that there would be a great improvement in the exchange, which would last through nearly the whole year, and which, in spite of an increase in our remittances, would better our position by £760,000; that our EXPLANATION.

Reduction of Expenditure in 1879-80.

opium estimate, which we had taken at a higher amount than, with one exception, it had ever been taken at before, would prove, taking both sides of the Account, to be too low by £1,900,000; that in consequence of the most favourable season which India has known for many years, the increased prosperity of the people, and other causes, every great branch of the public income would show an increase; that we should get £450,000 more from Land Revenue, £335,000 more from salt, and so on.

BENEFICIAL REDUCTION OF EXPENDITURE.

97. Although, as I need hardly say, it was not a pleasant task which I had last year to perform, in laying before the Government and the public so unpromising a budget, there are now good reasons for not expressing much regret that we were not gifted with greater powers of foresight. For the result was to make us undertake a most searching examination into every branch of the public expenditure, with the firm resolution that everything superfluous should be ruthlessly sacrificed. The reductions which we have made already, and which we hope still to make, are not the least satisfactory part of the year's history.

The Local Governments throughout India loyally responded to our invitation to co-operate in the task which we had undertaken. We left it entirely to their discretion to decide where they could reduce their expenditure, and exercised no kind of interference in their proceedings. The result of our communications with them was, that, with their full consent in every case, the assignments made to them from the Imperial treasury in the present year have been reduced by £335,000, and a similar reduction will be made in the coming year.

ESPECIALLY ON PUBLIC WORKS.

98. Besides less important savings, which I need not now detail, there has been in the present year a reduction in the Public Works expenditure of £661,000. I hope that £400,000 to £500,000 a year will eventually be permanently saved by getting rid of superfluous establishments. Some explanation is necessary on this subject.

REDUCTION OF PUBLIC WORKS ESTABLISHMENTS NECESSARY.

99. Before any orders to reduce the expenditure on Productive Public Works had been issued by the Secretary of State, or the question of reducing the Ordinary Public Works expenditure had been taken up afresh by the Government of India, it was an acknowledged fact that the strength of our Public Works establishments was enormously in excess of what was necessary. When the Secretary of State ordered, subject to certain conditions, the reduction of our annual expenditure on Productive Public Works to the sum of £2,500,000, this excess became, of course, a still more serious evil. I will not now go into the question of the causes which led to the growth of these needlessly large establishments. It is easy to be wise after the event; they were, for the most part, the result of errors of system which were only discovered to be errors by experience. However, this may have been, we found ourselves, at the beginning of the present financial year, in this position, that our Public Works establishments were declared by the highest authorities in the Public Works Department to be costing not less than £500,000 a year more than was necessary for the expenditure on Ordinary and on Productive Works which had to be carried on. We therefore resolved that these superfluous establishments must be at once reduced.

AND CARRIED OUT EFFICIENTLY.

100. The Local Governments and the authorities in the Public Works Department deserve the thanks of the Government of India for the efficient manner in which the serious task of making this great reduction has been performed. I think it will be admitted that the measures of the Government were carried out with the greatest possible consideration for individuals, and that the engineers with whose services we have unwillingly been compelled to dispense have been treated liberally. The reductions actually made will save us £250,000 a year. In the present year there will, of course, be a large set-off on account of pensions and gratuities; it amounts, indeed, to about £280,000; but the greater part of the cost of reduction will be incurred, once for all, in the shape of gratuities.

Although these great changes in the constitution of the Public Works Department could not be made without some temporary inconvenience, there can be no doubt, I hope, that they will lead to a permanent increase

of efficiency. Our difficulties, however, are not over; our Public Works establishments are still larger than they ought to be, and the constant supply of young engineers that pours in from Cooper's Hill will, if it be not speedily stopped, prove a cause of renewed embarrassment, and of useless and serious expense. Reduction of Expenditure, 1879-80.

101. Before leaving this subject, there is one important point that I must notice. It will be plain from what I have said, or have still to say to-day, that the Government of India looks with regret on the reduction of expenditure on Productive Public Works, and that it hopes to see that expenditure again increased hereafter. How, it may be asked, holding these opinions and expectations, can you justify this reduction of Public Works establishments? If, hereafter, your expenditure is increased as you hope it will be, you will have deprived yourself of the machinery necessary for the execution of your works. NO DIFFICULTY IN INCREASING EXPENDITURE ON PRODUCTIVE PUBLIC WORKS IN FUTURE.

102. If, my Lord, this were true, I should, for my own part, have thought our proceedings very foolish; but I am satisfied that we need be under no apprehensions of the kind. I think that I cannot better explain the views of the Government on this subject, than by reading to the Council the following extract from a despatch addressed by the Government of India to the Secretary of State in September last:— THE PUBLIC WORKS DEPARTMENT BEING RE-ORGANISED TO MEET THIS DIFFICULTY.

"Our present difficulties have not disturbed our belief in the great importance of the most rapid possible development of the means of communication and other material improvements in India. * * * * * * *

With these convictions, we should not have acquiesced, without remonstrance, in the absolute permanent restriction to £2,500,000 a year, of our expenditure on the construction of Productive Public Works, if we had understood this to be Your Lordship's intention. * * Accordingly, we have been careful so to frame our proposals for the re-organisation of our establishments, that we shall have no difficulty in hereafter increasing our expenditure on Productive Public Works to any extent which is likely to be considered expedient. We could not have undertaken any reductions not compatible with this condition.

The ordinary difficulty of organising an efficient and economical service has been aggravated, in the case of the Public Works Department, by the fluctuations of public policy which have manifested themselves in large variations of the grants made for expenditure in this Department. We need not now enquire into the causes of these fluctuations, and we do not wish to criticise the policy either of the school which advocates a lavish public expenditure on such works, or of that which regards with distrust any such expenditure which can be avoided. It only concerns us now to recognise the fact that we have no reason for expecting, hereafter, more immunity from such alternations of conflicting influences than we have enjoyed heretofore. Our duty, therefore, is to anticipate their recurrence, and frame our measures accordingly.

Hitherto, our establishments have been organised on a plan which demands, for successful and economical results, a steady and unbroken prosecution of works; engineers having been brought into the service on engagements which have been understood as ensuring to them continuous employment. But such employment is incompatible with the conditions on which we can provide funds for the construction of Productive Public Works; and, clearly, we must now so organise our establishments that their strength may be, at any time, readily reduced or increased. In other words, the cause of our present difficulties being that we have, on the whole, been burdened with establishments in excess of what, with the funds at our disposal, we could constantly and profitably employ, we must, for the future, take care to engage no establishments in excess of the greatest strength for which we can confidently expect to provide constant and full employment, whatever policy as to the material improvement of the country may be in the ascendant.

We have resolved, therefore, to organise our permanent establishment, rather upon the model of the staff of a great contractor, supplementing it, as occasion requires, by temporary establishments engaged for particular works only, with no claim to absentee allowances, pensions, employment upon any other work, or any of the rights and privileges of a regular establishment. Moreover, we desire to look, more and more, to the employment, upon considerable undertakings, of contractors with large capital, and to the development of the existing system of petty contracts for petty works. In this way, we expect to avoid a recurrence of the inconvenience from which we are now suffering.

We anticipate no difficulty in carrying out the policy thus designed: on the contrary, we believe that, while guarding us against a return of our present embarrassment, this policy will, by encouraging persons to adopt the profession of Civil Engineer, and otherwise, promote the general interests, and be favorable to the extended employment of Natives of India in this department of our service, an object which we have much at heart."

103. Before leaving the subject of reduction of expenditure, I have still to mention what I hope may prove hereafter to have been the most important PROPOSALS OF ARMY COMMISSION FOR REDUCTION OF EXPENDITURE.

Financial prospects.

measure of the year. I refer to the appointment of the Special Commission, presided over by Sir Ashley Eden, to inquire into the organisation and expenditure of the army in India. The Report of the Commission is now under the consideration of the Government, and I should be going altogether beyond my own proper business, if I were to attempt in any way to discuss the recommendations which the Commission has made, or to give any opinion as to the extent to which those recommendations may be carried out. But there are some facts to which I may refer without impropriety, and which seem to me highly encouraging. This Commission, presided over by one of the most eminent of Indian statesmen, and including among its members some of our greatest Indian soldiers, has arrived at unanimous conclusions on almost every one of the questions submitted to it. These high authorities believe that the adoption of their proposals would greatly increase the efficiency of the army in peace and war; that it would add to the military strength of the British portion of our forces; that the strength and efficiency of the Native army, as a fighting body, and the popularity of the service, would be increased; that the medical service would be placed in harmony with the true principles of army organisation; that in the departments of the army greater uniformity and power of administration would be obtained; that the great lines of military communication would be improved and made permanently secure; that, under a more scientific system, the troops could be more rapidly and easily mobilised; and that (to quote the words of the Commission) "with improved transport arrangements, with a more thorough knowledge of the vast resources of the country in supply and transport, and with a decentralised military system, the Government of India will be able, provided the details are thoroughly worked out beforehand, to place in the field a force which will be a powerful weapon of offence or defence, while the troops remaining in garrison will be ample to supply a reserve if needed, and to maintain the peace of the country undisturbed." The Commission believes that these great results, by which the efficiency of the army would be immensely increased, could be attained, not only without additional expense, but with a positive saving to the State of £1,250,000 a year.

I have not been able to take credit for any part of such savings in the coming year; but I sincerely trust that this most important matter will not be allowed to sleep, and that no feeling that the improvement in our finances has rendered military economy less urgently necessary, will be permitted to cause delay in settling the questions which have been raised. As the Commission, quoting the principles strongly enunciated by Lord Mayo, and reiterated by his successors, has observed, "the people of India ought not to be called upon to support or pay for one unnecessary soldier."

FINANCIAL PROSPECTS THOUGH FAVOURABLE STILL SOMEWHAT UNCERTAIN.

104. The warning which I have now given, that we ought not to be induced by the improved state of our finances to relax our efforts in the direction of economy, is not true in regard to military expenditure alone. It would be a dangerous mistake to conclude that our prospects are not still uncertain.

In the Financial Statement for last year, prominent attention was called to the consequences entailed upon India by the violent disturbance of the long standing equilibrium between gold and silver. It was then stated that the Government of India had submitted its views on this subject to the Secretary of State, and, as the Council is aware, Her Majesty's Government did not think it possible to accept our recommendations.

Although the exchange has, during the present year, been less unfavourable to India than we anticipated, it would be a great error to suppose that our anxiety on this account has been removed, or even seriously diminished. The gravity of the subject can hardly be better illustrated than by this fact, that, even in the present year, which has been comparatively favourable, the charge for Loss by Exchange amounts to £3,188,000, while for the coming year it is estimated at £3,411,000. Ten years ago, in 1869-70, the charge was £142,555. Although the relations between the two metals have, of late, been comparatively steady, yet, as this stability does not rest upon any known foundation, it does not afford ground for confidence in the future relations of the two metals, which, under the existing conditions, cannot be predicted for a single month.

Obviously we cannot depend on the maintenance of our Opium revenue at its present unprecedentedly high amount. Other causes for a prudent anxiety are not wanting. It is, for example, plainly impossible to say what may be the actual cost, and the future obligations entailed upon us by the war in Afghanistan; although, so far as can now be foreseen, ample provision on this account seems to have been made. Altogether, while our financial prospects look, on the whole, far brighter than they were a year ago, we cannot say that there are not many causes for anxiety remaining. The prudent view to take is this, that we ought to take advantage of the breathing time that has now been obtained, to set our house in order.

Comparison of present and past accounts.

105. I think, my Lord, that there is only one remaining subject to which I need refer. Attempts have recently been made in England to compare the financial condition of India as it is now with what it was in past periods, and it seems to have been assumed by many persons that, because difficulties are found in making such comparisons without more information than is given in the published abstracts of our accounts, therefore there is something wrong in the structure of our accounts themselves. The fact is that, for many years past, we have been steadily striving to make such improvements in our published abstracts as were called for by changes in financial circumstances, and in order to give fuller information. In this view, heads of accounts which used to be lumped up together have been separated, while others have been consolidated, and, instead of entries showing merely the net result of the differences between revenue and expenditure, the actual revenue and expenditure have been entered on each side of the account respectively.

COMPLAINTS OF DIFFICULTY OF COMPARISON OF FINANCIAL CONDITION WITH PAST PERIODS OWING TO CHANGES IN FORM OF ABSTRACTS.

106. For example, in Mr. Wilson's Budget Statement in 1860, there were only six revenue heads. The first was "Land Revenue, Sayer and Abkaree," and it included Land, Forest and Excise revenue, all lumped together; then came, separately, "Customs," "Salt" and "Opium;" then "Miscellaneous," a large item of over 4 millions; and lastly, "Receipts from Railway Companies," which at that time were only £330,000. On the expenditure side the charges on account of collecting the revenue on account of Land, Forest, Excise, Customs, Salt, Opium, Post Office and Stamps together with Political Pensions, Allowances, Assignments, and Charitable Grants, were all included under one head; the remaining heads were "Interest on Debt in India," "Military Charges," "Marine," "Civil Charges," which included all Political, Judicial, and Police Establishments, and all Public Works, except Military and Marine, "Miscellaneous," and "Guaranteed Interest on Railway Capital." The charges incurred in England were not classified at all. In the next year, 1861, the heads of Revenue and Expenditure were re-arranged and somewhat increased in number. The net charges in England were also shown separately.

ACCURACY AND COMPLETENESS OF ABSTRACTS NOW PUBLISHED COMPARED WITH THOSE OF PAST YEARS.

From that time the abstract has been, from year to year, improved in the manner I have indicated. In the last few years these changes have been considerable, involving the entry of large amounts on each side of the account, which were previously shown net on one side only. For instance, until quite recently, the excess of the Guaranteed Interest on Railway Capital over the net earnings of the Railways was shown in one entry on the expenditure side, instead of the net earnings being entered on the revenue side and the full Guaranteed Interest on the expenditure side; this obvious improvement has caused an addition to each side of the account of some 5 millions sterling. So again, the Provincial Revenue and Expenditure is now entered in the gross, under the appropriate heads, instead of net on one side only of the account. This has added about a million to both sides. Finally, local revenue and expenditure which, although as much public transactions as any other, used to be excluded altogether from the Financial Statements, have now been included, adding more than $2\frac{1}{2}$ millions to each side of the account.

Thus, under these three heads alone, the totals of our revenue and expenditure have been increased by about $8\frac{1}{2}$ millions, without any addition whatever to our revenue or expenditure. I will not say that our form of abstract is even now perfect; but it gives detailed information which it was impossible to obtain from the abstracts as formerly framed. The improvement of late years has been great, and it is certain that few countries now publish such full and

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Present Expenditure compared with 12 years ago.

accurate accounts as India.* It can hardly be contended that the difficulties which such changes throw in the way of persons who wish to make minor comparisons, ought to have deterred us, or should in future deter us, from rendering our published accounts as perfect and comprehensive in form as possible, or that because our published statements were incomplete ten or twenty years ago, they ought to have remained incomplete for ever.

GENERAL COMPARISON OF ACCOUNTS FOR 1868-69 & 1869-70 WITH ACCOUNTS OF 1878-79 AND ESTIMATES OF 1880-81.

107. I cannot now take up the time of the Council with any elaborate comparison between our present financial position and that of ten or twenty years ago. As, however, there seems to be an impression that there has been a great increase in the public expenditure, I will briefly compare the accounts of our net expenditure in 1868-69 and 1869-70 with the accounts of 1878-79 and the estimates of 1880-81. That this comparison may be effective, I have eliminated the expenditure from Local Funds, recently incorporated with the rest of the public expenditure, and also the expenditure on the war in Afghanistan. In like manner I have removed, throughout, the credits from the extinct Military Funds. I have then divided the net expenditure thus ascertained into four groups, as follows:—

First.—Land Revenue (except Charges of collection, Surveys and Settlements), Post Office, Administration, Minor Departments, Jails and Penal Settlements, Law and Justice, Police, Marine, Education, Ecclesiastical, Medical, Stationery, Printing, Political, and Miscellaneous.

Second.—Interest, Loss by Exchange, Furlough Allowances, Pensions, and Famine.

Third.—Public Works, Telegraphs, Railways, and Canals.

Fourth.—The Army.

The whole net expenditure thus classified is as follows:—

	1868-69.	1869-70.	1878-79.	1880-81.
	£	£	£	£
Group I.—Effective civil administration ...	10,042,000	10,489,000	10,997,000	11,255,000
Group II.—Non-effective civil expenditure ...	7,054,000	6,543,000	11,182,000	10,536,000
Group III.—Public Works ...	8,195,000	6,235,000	3,454,000	1,883,000
Group IV.—The Army ...	15,137,000	15,251,000	15,441,000	15,330,000
TOTAL ...	40,428,000	38,518,000	41,074,000	39,004,000

EFFECTIVE CIVIL CHARGES.

108. *Group I.*—The effective civil charges proper have increased in the twelve years by about one million sterling, of which £587,000, under the Head of Law and Justice, is due to the development of backward provinces, such as Assam, Burmah and Oudh, and to improved administration; and £233,000, under Education and Medical Services, is to be attributed to the constant demands for more schools and dispensaries. It does not seem to me that either the fact that the whole active civil administration of this great country costs only net 11¼ millions a year, or the increase of its cost in twelve years by one and a quarter million sterling, is indicative of any laxity of financial control or any disregard of the interests of the tax-payers.

NON-EFFECTIVE CIVIL CHARGES.

109. *Group II.*—The non-effective civil charges, many of which are not subject to control, show an increase of about 3½ millions, caused mainly by the disturbance of the relative values of gold and silver, but also notably by the growth of the pension list. Notwithstanding the addition of 37¼ millions (net) to our debt, the charge for interest shows little or no increase,* the rate of interest having been, by successive operations involving labour and forethought, constantly reduced. The average rate of interest upon the whole debt is now 4·40 per cent.

PUBLIC WORKS.

110. *Group III.*—The growth of the revenue from Railways, Telegraphs and Canals, and the reduction of the expenditure on Public Works Ordinary has produced a diminution of the net expenditure in this group of more than six and a quarter millions a year, which therefore largely exceeds the increase in Group II.

* 450,000*l.* was saved in 1874-75 by the redemption of the capital stock of the East India Company.

During this period we have spent 65¼ millions sterling upon Railways, including the Guaranteed Railways, Canals, and Telegraphs. The result shown in the figures here given is remarkable evidence of the manner in which India responds to outlay of this character.

We have seen that in the coming year, the revenue derived from productive public works is likely to exceed the interest on the capital expended in their construction, together with the working expenses. I have read criticisms, in which the policy of constructing these works has been condemned on the ground that they had not yielded, and in many cases were not likely to yield, any extra profit after fully paying their expenses. But if the Government has succeeded in making these magnificent works for nothing, that is, without throwing any permanent charge for them on the people of India, surely it may well be contented.

THE ARMY.

111. *Group IV.*—Although there was an intermediate reduction of the cost of the Army, the net military expenditure here shown is little larger in the later than it was in the earlier years.

WHOLE NET EXPENDITURE.

112. Owing to the rapid improvement in the financial results of our Railways, Canals, and Telegraphs, and to economy in the expenditure on public works ordinary, the whole net expenditure shows no increase, but a positive reduction.

COMPARISON SATISFACTORY.

113. Considering that, during this period, the charge for loss by exchange has increased by 3 millions, and that, including the guaranteed railways, we have invested no less than 65¼ millions in productive public works, this, My Lord, is a result of which the Government of India need not be ashamed, and which I earnestly commend to the study of those statesmen who, from motives worthy of all respect, but which appear to me to be founded upon a dangerous misapprehension of facts, would withhold from India those material benefits which are to be obtained only by the expenditure of capital upon the development of her vast resources.

114. It now, My Lord, only remains for me to make the motion standing against my name. If it be adopted by the Council, it will be equivalent to a resolution that the Trades and Professions Bill shall be dropped altogether, and I shall afterwards ask permission to introduce a new Bill for the amendment of the present law. It will be understood, from what I have said to-day, that it will be a very short and simple measure, and its principal effect will be to relieve the poorer classes of traders from the taxation to which they are now liable.

FINANCIAL STATEMENT FOR 1880-81.

PART II.—(*Not published*).

Resolution of the Government of India, Department of Finance and Commerce, No. 985, dated 24th February 1880.

Read—

(1) The Accounts of the public revenue and expenditure and receipts and disbursements in 1878-79; ACCOUNTS AND ESTIMATES PRESENTED.

(2) The Regular Estimates of the revenue and expenditure and receipts and disbursements in 1879-80; and

(3) The Budget Estimates of the revenue and expenditure and receipts and disbursements in 1880-81.

RESOLUTION.

CHANGES OF FORM. Changes of form.

115. A new major head has been opened on each side of the accounts to show separately the revenue from *Registration* and the expenditure on that department of the administration. The fees paid for mutations of names upon the land revenue registers and copies of the land revenue records, and the expenditure upon the land revenue record rooms, are also transferred to these new heads. HEAD OF REGISTRATION OPENED.

116. The heads of *Guaranteed* and *State Railways* are consolidated under a single head, *Railways*, on each side of the accounts. The purchase of the East Indian Railway by the State, involving its transfer from the category of guaranteed to that of state railways, has made comparisons of the current estimates with the past accounts in each separate category impossible; and a like disturbance will ensue on the acquisition of other lines constructed by private capitalists under a guarantee of interest from the public revenues. Moreover, negotiations are already in progress for the working of the Indus Valley State Railway by the Sindh, Punjab and Delhi Railway Company. It would be difficult to distinguish between the transactions of the two railways under one management. Similar arrangements for the management of other state railways are likely in the future. For like reasons, the transactions with the *Madras Canal and Irrigation Company* will henceforth be entered under the major head *Irrigation and Navigation*, under which head the cost of agricultural works (drainage and embankments) will also, hereafter, be shown. Thus the public works heads of account will now be *Railways, Irrigation and Navigation*, and *Other Public Works.* RAILWAY HEADS CONSOLIDATED INTO THE SINGLE HEAD "RAILWAYS." MADRAS CANAL COMPANY MERGED IN IRRIGATION AND NAVIGATION. PUBLIC WORKS HEADS RE-ARRANGED.

Finance and Revenue Accounts, 1878-79.

FINANCE AND REVENUE ACCOUNTS, 1878-79.

117. In the following synopsis, the Finance and Revenue Accounts, 1878-79, are compared with the Regular and Original Estimates, and with the Accounts of 1877-78 :—

ACCOUNTS, 1878-79. COMPARED WITH ESTIMATES AND WITH ACCOUNTS, 1877-78.

SYNOPSIS.

	Accounts, 1877-78.	1878-79. Original Estimates.	1878-79. Regular Estimates.	1878-79. Accounts.	Accounts of 1878-79, compared with Regular Estimates. Better.	Regular Estimates. Worse.	Original Estimates. Better.	Original Estimates. Worse.	Accounts, 1877-78. Better.	Accounts, 1877-78. Worse.
	£	£	£	£	£	£	£	£	£	£
REVENUE	58,969,301	63,250,000	64,680,000	65,207,694	527,694		1,957,694		6,238,393	
EXPENDITURE, excluding Capital Expenditure on Productive Public Works ...	62,512,388	61,094,000	63,380,000	63,163,303	216,697			2,069,303		650,915
SURPLUS REVENUE ...	-3,543,087	2,156,000	1,300,000	2,044,391	744,391			111,609	5,587,478	
Capital Expenditure on Productive Public Works ...	4,791,052	4,555,000	4,599,000	4,381,898	217,102		173,102		409,154	
EXCESS EXPENDITURE ...	8,334,139	2,399,000	3,299,000	2,337,507	961,493		61,493		5,996,632	
Receipts other than Revenue...	72,851,859	59,850,000	76,560,000	66,368,962		10,191,038	6,518,962			6,482,897
Disbursements other than Expenditure	64,407,426	58,951,000	74,635,959	65,696,336	8,939,623			6,745,336		1,288,910
Excess Receipts other than Revenue	8,444,433	899,000	1,924,041	672,626		1,251,415		226,374		7,771,807
Public Balances reduced ...	...	1,500,000	1,374,959	1,664,881		289,922		164,881		1,775,175
Public Balances increased ...	110,294									
CLOSING BALANCES ...	15,574,959	14,500,000	14,200,000	13,910,078		289,922		589,922		1,664,881

GENERAL COMPARISON WITH THE REGULAR ESTIMATES.

118. In March last, the accounts of 1878-79 were expected to show a grand total expenditure in excess of the revenue by 3,299,000*l.* and a surplus of revenue, as compared with the expenditure other than the capital expenditure on productive public works, of 1,300,000*l.* The actual deficit of revenue was only 2,337,507*l.*, being 961,493*l.* less than was then estimated. Excluding capital expenditure on productive public works, there was a surplus of 2,044,391*l.*, being 744,391*l.* more than the regular estimate. The remainder of the accounts record an excess of receipts over disbursements smaller by 1,251,415*l.* than the regular estimates. Consequently, the closing balances were 289,922*l.* lower than was estimated in March 1879. Of the improvement in the accounts of the revenue and expenditure, as compared with the regular estimates, 744,828*l.* is in India, and 216,665*l.* at home. Of the 1,251,415*l.* by which the net receipts, other than revenue, fall short of the regular estimates, 941,475*l.* is in India, and 309,940*l.* at the Home Treasury.

GENERAL COMPARISON WITH THE ORIGINAL ESTIMATES.

119. The accounts of the revenue and expenditure differ, on the whole, very little from the original estimates, the accounts in India showing a result worse than the original estimates by 334,772*l.*, while the Home Accounts are better by 396,265*l.* The net receipts, other than revenue, differ from the original estimates by 226,374*l.* only: the Indian Accounts showing an improvement of 294,023*l.*, and the Home Accounts a worse result by 520,397*l.* This near accord of the accounts with the original estimates is accidental, the variations under the several heads neutralising each other; but it renders further comparisons of the accounts with the original estimates unnecessary.

120. But few of the differences between the Accounts and the Regular Estimates amount to 100,000*l.*, and scarcely any call for particular remark. Finance and Revenue Accounts, 1878-79.

DETAILED COMPARISONS WITH THE REGULAR ESTIMATES.

LAND REVENUE.

The largest item on the revenue side is an improvement of 216,520*l.* under *Land Revenue*, the chief contributories thereto being *Bengal* (under-estimate) 73,000*l.*, *Burmah* (progress of re-settlements) 52,000*l.*, and *Madras* (famine arrears) 65,000*l.*

CUSTOMS.

There was a loss of 113,439*l.* in *Customs*, which is to be attributed partly to the further remission of cotton duties when the Financial Statement was published. The net import duties on cotton goods in 1878-79 were less by 163,047*l.* than in 1877-78.

FAMINE RELIEF.

There was a satisfactory saving of 241,580*l.* under *Famine Relief* in *Madras* and the *North-Western Provinces*, the intrinsic value of the works executed by famine labour proving greater than was supposed.

PUBLIC WORKS.

Notwithstanding this transfer from Famine Relief to Public Works, the Accounts show an expenditure upon *Irrigation* and *Other Public Works* in the Provincial and Local Accounts, less by 216,284*l.* than was expected. This is owing to the stringent measures of economy adopted towards the close of the year.

PROVINCIAL AND LOCAL ACCOUNTS.

The saving in Public Works is reflected in the important addition of 469,405*l.* to the Provincial and Local Balances under the two adjusting Heads *Provincial and Local Deficits* and *Surpluses*. The Provincial Governments spent during the year, altogether, 715,405*l.* less than they received. Their balances at the end of the year amounted to 2,412,382*l.*, as follows:—

Provincial	...	...	...	1,323,467
Local	...	...	...	1,088,915
		TOTAL	...	2,412,382*l.*

MILITARY OPERATIONS IN AFGHANISTÁN.

121. The net cost of the military operations in Afghánistán, recorded in the Accounts of 1878-79, is 676,381*l.*; a close approximation to the estimate (670,000*l.*) made in paragraph 142 of the last Financial Statement. Against this must be set the gains which may be attributed to these operations under the heads of *Railways* and *Telegraphs*. It is not possible to estimate with precision either these gains or, on the other hand, the extra expenditure in the general administration, both military and civil, in consequence of the rise of prices in Upper India attendant upon these operations. But the ultimate net total cost of the operations in Afghánistán, recorded in the Accounts of 1878-79, may be fairly estimated at 575,000*l.*

TRUE CHARACTER OF THE SURPLUS.

122. A careful investigation of the constituents of the surplus of 2,044,391*l.* in 1878-79 shows that the sets-off on both sides of the account are fairly balanced, and that the financial outturn of the year 1878-79 may be accepted, without reserve, as satisfactory. With the help of additional taxation, amounting in all to 1,227,891*l.*,* of which 313,420*l.* has been spent upon famine relief, and notwithstanding an abnormal military expenditure of 676,381*l.*, and the simultaneous remission of the inland duties on sugar and of some of the duties of customs on cotton goods, the true surplus of the year exceeds the amount (2,000,000*l.*), decided to be necessary to enable the State to meet its obligations in times of famine, and defray such abnormal expenditure as is now being incurred in the military operations in Afghánistán. The standard at which the Government of India aims (namely, a surplus of 2,000,000*l.* less any expenditure on famine relief or protective works or otherwise of an abnormal kind), would have been attained if the accounts had shown a surplus of only 1,010,199*l.*, being less by 1,034,192*l.* than the actual surplus.

GENERAL OUTTURN COMPARED WITH STANDARD.

WORKS NOT DIRECTLY PRODUCTIVE INCLUDED AMONG THE PRODUCTIVE PUBLIC WORKS.

123. The only drawback to entire satisfaction is that the following expenditure which is recorded in the category of capital expenditure on Productive Public Works, and has consequently been excluded from the accounts upon which

	Assessed Taxes (Net).	Provincial Rates (Net).	Total.
	£	£	£
* Bengal	172,112	355,590 P. W. cess	527,702
Bombay	225,478	...	225,478
Central Provinces	14,860	6,652	21,512
Madras	76,896	...	76,896
North-Western Provinces	202,283	...	202,283
Punjab	129,703	44,317	174,020
Total ...	821,332	406,559	1,227,891

Finance and Revenue Accounts, 1878-79.

the surplus is ascertained, cannot, at present, be regarded as directly reproductive; namely, the capital expenditure on the—

Orissa Canals	55,740
Midnapore Canals	27,817
Western Jumna Canal	79,415
Punjab Northern Railway	276,870
Indus Valley Railway	816,105
	1,255,947*l.*

But the whole of this sum does not much exceed the excess surplus of 1,034,192*l.*; and if the whole 1,255,947*l.* were removed from the category of productive public works, the accounts would still show a substantial surplus of 788,444*l.* Outlay of this class is coming rapidly to an end, and, for the future, no expenditure which is not satisfactorily and directly reproductive will be excluded from the comparison upon which the surplus or deficit of the revenue is ascertained.

FALLING OFF IN NET RECEIPTS.

124. The falling off in the net receipts other than revenue is due, in India, to large remittances to the military disbursing officers in connection with the operations in the field. At home it is owing to less money having been borrowed than was estimated.

WAYS AND MEANS, 1878-79.

125. The deficit of revenue compared with the whole expenditure during the year was 2,337,507*l.* Including the amounts credited as revenue from the extinct Military Funds, the net repayments of *Deposits* amounted to 1,980,816*l.*, while the *Remittances* (outstanding Secretary of State's bills paid) amounted to 1,271,110*l.* Thus the total net disbursements amounted to 5,589,433*l.*, which was thus provided. There was a surplus of Provincial and Local Revenue of 715,405*l.* After setting off *Loans to Native States, &c.*, and *Repayments of Guaranteed Railway Capitals* and *Savings Banks Deposits*, the net amount borrowed was 3,209,147*l.* The balance, 1,664,881*l.*, was taken from the balances. The equation may be thus shown—

Surplus of Provincial and Local Revenue	715,405	Deficit of Imperial Revenue	2,337,507
Net Debt incurred	3,209,147	Deposits repaid, &c.	1,980,816
Balances reduced	1,664,881	Remittances	1,271,110
	5,589,433*l.*		5,589,433*l.*

CONVERSION OF 5½ PER CENT. LOAN 1859-60 TO 4½ PER CENT. LOAN 1879.

126. The Five and a half per cent. Loan of 1859-60 was converted during the year into the Four and a half per cent. Transfer Loan of 1879. The Five and a half per cent. Loan outstanding when the operation began amounted to 9,845,170*l.* To discharge this sum a loan of 10,000,000*l.* was invited by Notification No. 2005, dated 12th August 1878. The actual amount subscribed was—

Transfers from the 5½ per cent. Loan	8,606,347*
Cash subscriptions	1,409,480
	10,015,827*l.*

The small excess of 15,827*l.* is due to the difficulty in ascertaining the transfers which would be ultimately confirmed: it was necessary to accept many such transfers conditionally in the first instance, and there is even now some uncertainty about transfers amounting to 4,350*l.* included in the total of 8,606,347*l.*, which have not yet been completed upon the books. The discount and commission paid upon the operation was 5,381*l.*

1878-79 COMPARED WITH 1877-78.

127. Compared with 1877-78, the revenues of 1878-79 show an improvement of 6,238,393*l.*, of which 2,400,331*l.*, *Provincial Rates*, is nominal. The largest item is *Land Revenue* (2,460,919*l.*), the loss under this head in 1877-78 having been serious. Notwithstanding a saving of 5,032,355*l.* in *Famine Relief*, the expenditure exceeded the expenditure of 1877-78 by 650,915*l.*, the main items being *Loss by Exchange*, 1,705,767*l.*, and *Public Works*, 1,339,281*l.* The chief cause of the excess is, however, nominal, namely, the incorporation of Local Fund transactions amounting to 2,400,000*l.* The outturn of the year is 5,587,478*l.* better than the outturn of 1877-78.

* Of this total, 24,420*l.* was subscribed to the seven shillings sterling per cent. portion.

REGULAR ESTIMATES, 1879-80.

Regular Estimates, 1879-80.

128. In the following Synopsis the present prospects of the revenue and expenditure and receipts and disbursements of British India are compared with the ORIGINAL ESTIMATES and with the ACCOUNTS of 1878-79 :— SYNOPSIS.

Synopsis. COMPARISON.

	Accounts, 1878-79.	1879-80.		Regular Estimates of 1879-80, compared with			
		Original Estimates.	Regular Estimates.	Original Estimates, 1879-80.		Accounts, 1878-79.	
				Better.	Worse.	Better.	Worse.
	£	£	£	£	£	£	£
REVENUE	65,207,694	64,562,000	67,583,000	3,021,000	...	2,375,306	...
EXPENDITURE ...	63,163,303	65,957,000	67,464,000	...	1,507,000	...	4,310,697
SURPLUS REVENUE ...	2,044,391	...	119,000	1,514,000	...	...	1,925,391
Excess Expenditure ...	...	1,395,000	...	...	...	...	...
Capital Expenditure on Productive Public Works.	4,381,898	3,500,000	3,700,000	...	200,000	681,898	...
EXCESS EXPENDITURE ...	2,337,507	4,895,000	3,581,000	1,314,000	...	...	1,243,493
Receipts other than Revenue.	66,368,962	67,335,500	74,785,000	7,449,500	...	8,416,038	...
Disbursements other than Expenditure.	65,696,336	63,140,500	69,114,078	...	5,973,578	...	3,417,742
EXCESS RECEIPTS OTHER THAN REVENUE.	672,626	4,195,000	5,670,922	1,475,922	...	4,998,296	...
Public Balances Reduced ...	1,664,881	700,000	...	...	...	...	...
Public Balances Increased...	...	...	2,089,922	2,789,922	...	3,754,803	...
CLOSING BALANCES ...	13,910,078	13,500,000	16,000,000	2,500,000	...	2,089,922	...

129. It is now expected that the revenue will amount to 67,583,000*l.*, being 3,021,000*l.* more than the original estimate; that the ordinary expenditure will be 67,464,000*l.*, being 1,507,000*l.* more than was estimated, and that 3,700,000*l.*, being 200,000*l.* more than was estimated, will be spent on the construction of productive public works. Thus, in place of a deficit of 1,395,000*l.*, a surplus of revenue as compared with the ordinary expenditure, amounting to 119,000*l.*, is now anticipated, and the whole deficit is reduced from 4,895,000*l.* to 3,581,000*l.*, or by 1,314,000*l.* SURPLUS FOR COMPARISON WITH NORMAL SURPLUS OF 2,000,000*l.*

130. The original estimates provided for an abnormal military expenditure of 2,000,000*l.* for the war in Afghánistán (*see para. 262 of the last Statement*). In consequence of the renewal of hostilities, that provision has now been increased to 4,886,000*l.*, as follows :— WAR IN AFGHANISTAN.

Military Expenditure proper	3,137,000
Frontier Railways	1,670,000
Post Office*	37,000
Telegraphs	42,000
TOTAL ...	4,886,000

Of which, 4,656,000*l.* is provided under 36, *Army*, and 230,000*l.* under 32, *Railways*.

Moreover, instead of 10,000*l.* as granted, a famine expenditure of 99,000*l.* is now estimated. So that the Regular Estimates provide for an abnormal expenditure amounting to 4,985,000*l.* as follows :— FAMINE EXPENDITURE.

War	4,886,000
Famine	99,000
	4,985,000*l.*

* Besides expenditure on Military train.

Regular Estimates, 1879-80.

On the other hand, it is estimated that the railway and telegraph revenues are net better by reason of the war than they would otherwise have been by about 300,000*l.* Then, but for war and famine, the regular estimates would have shown a surplus revenue as compared with ordinary expenditure amounting to 4,769,000*l.* or about 4¾ millions sterling.

FAMINE INSURANCE TAXATION.

131. The regular estimates of revenue contains the following items originally raised in 1878 in order to enable the State to discharge its obligations in times of famine without risk of insolvency :—

	Assessed Taxes (net) less refunds.	Cesses.	TOTAL.
Bengal	198,000	350,000	548,000
Bombay	228,000	...	228,000
Central Provinces	15,000	19,000	34,000
Madras	81,000	...	81,000
North-Western Provinces and Oudh	114,000	82,000	196,000
Punjab	50,000	47,000	97,000
	686,000*l.*	498,000*l.*	1,184,000*l.*

TRUE SURPLUS.

If the 99,000*l.* actually spent on Famine Relief be deducted from this sum, there remain 1,085,000*l* as a contribution to prevent the growth of debt. A careful investigation shows that if count be taken of other abnormal items on both sides of the accounts the true surplus for comparison with the standard surplus of 2,000,000*l* (after deduction of famine and other abnormal expenditure) is about 4,500,000*l.*

DOUBTFUL PRODUCTIVE PUBLIC WORKS.

132. As this surplus would have far more than covered the whole expenditure on productive public works, it is needless to refer further to the expenditure on the not entirely satisfactory works still included in the category of productive public works. The list may, however, be noted as follows :—

Indus Valley Railway	304,000
Punjab Northern Railway	433,000*
Orissa Canals	78,000
Midnapur Canals	7,300
Western Jumna Canal	58,100
	880,400*l.*

SATISFACTORY RESULT.

133. If the present prospects are realised, the financial outturn of the year 1879-80 will leave nothing to be desired.

DETAILS.

The variations from the original estimates are as follows :—

Revenue.

REVENUE, 1879-80.

LAND REVENUE.

134. *I. Land Revenue.*—22,389,000*l.* Improvement 450,000*l.* Of this, 105,000*l.* is nominal, being the revenue intercepted for the remuneration of the village servants in *Madras* now transferred to this head from *VI. Provincial Rates.* Of the remainder, 103,000*l.* is in *Burmah*, where the effect of the new settlements in progress was under-rated. The balance is due to famine arrears in excess of expectation.

TRIBUTES.

135. *II. Tributes* 714,000*l.*—Better 11,000*l.* Some arrears collected.

FORESTS.

136. *III. & 5. Forests.*—Net revenue 141,000*l.* Decrease 21,000*l*; due to contraction of public works expenditure and the consequent falling-off in the demand for timber.

EXCISE.

137. *IV. & 6. Excise.*—Net revenue 2,655,000*l.* Better 31,000*l.* There has been a transfer to this head from *IX. Opium* in *Bombay*, so that there is little or no real improvement.

ASSESSED TAXES.

138. *V. & 7. Assessed Taxes.*—Net revenue 762,000*l.* Decrease 93,000*l.*

In September 1879, the tax upon incomes less than Rs. 250 a year and in December, the tax upon incomes less than Rs. 500 a year was abandoned. Moreover, pending consideration of the proposed tax upon trades and professions, assessments during the last quarter of the year have been suspended.

PROVINCIAL RATES.

139. *VI. & 8. Provincial Rates.*—Net revenue 2,656,000*l.* Decrease 31,000*l.* But for the transfer in Madras to *I. Land Revenue*, there would have been a considerable improvement which is attributed to the favorable season.

CUSTOMS.

140. *VII. & 9. Customs.*—Net revenue £2,030,000. Decrease 15,000*l.*; the loss of duty on cotton goods having been rather larger than was expected.

SALT.

141. *VIII. & 10. Salt.*—Net revenue 6,979,000*l.* or, deducting the salt compensation payments in Rájpútáná, Cambay and Sáwantwári, (total 301,500*l.*), 6,677,500*l.* Improvement 362,000*l.*, owing to a general increase of the consumption of salt.

* Besides 230,000*l.* provided under *32, Railways.*

There have been no changes of taxation or system during the year, but sundry measures have been taken to facilitate the transport of salt. The Government is now endeavouring to redeem all transit dues on salt throughout Rajpútáná and Central India, so that the transport of salt may be everywhere absolutely free from restriction. The intention to organise a preventive line between British Guzarát and Katch and Kattiáwár has been abandoned. Revenue. CONTEMPLATED REDEMPTION OF TRANSIT DUES ON SALT.

142. *IX. & 11. Opium.*—Net revenue 8,400,000*l.* Better 1,900,000*l.* of which 680,000*l.* is in Málwa and the rest in Bengal opium. The Bengal crop 1878-79, yielded only 49,961 chests of provision opium, being 9,130 chests less than the 59,100 chests sold. Accordingly, the outlay was less by 186,600*l.* than it would have been if the whole 59,100 chests sold had been paid for in the year. The revenue of 1879-80 includes 75,000*l.* unliquidated advances recovered from the cultivators. OPIUM.

By Notification No. 2816, dated 15th September 1879, the duty on a chest of Málwa opium was raised by Rs. 50, namely, to Rs. 725 if weighed at Ajmír and Rs. 700 if weighed elsewhere. The revenue this year is unprecedented.

143. *X. & 12. Stamps.*—Net revenue 3,090,000*l.* Better 114,000*l.* There is improvement everywhere except in the *North-Western Provinces* and *Bombay*. STAMPS.

There have been no changes in the law during the year. But much consideration has been given to the question whether, in presence of the frequent, though not usually formidable, frauds connected with the use of adhesive labels, it will be possible to persevere in this otherwise convenient method of levying the court-fee duties. Mr. F. R. Cockerell, who has had much experience in this branch of the administration, is now, under instructions from the Government of India, with the permission of the Secretary of State, investigating this problem in concert with Messrs. De La Rue & Co., who have brought all their well-known skill and resources to bear upon its solution.

Meanwhile, despite such drawbacks, the net revenue levied by stamps has grown from 2,516,400*l.* in 1872-73 to 3,090,000*l.* in 1879-80, or by 573,600*l.* in seven years, an average increment of about 82,000*l.* a year.

144. *XI. & 13. Registration.*—This head is shewn separately for the first time. Net revenue 100,000*l.*, being worse than the estimate by 12,000*l.* This decrease is attributed to returning prosperity. REGISTRATION.

145. *XII. & 14. Mints.*—Net revenue 150,000*l.*, an improvement of 83,000*l.* The imports of silver (by estimate, about 8,000,000*l.*) have been larger than was expected. MINTS.

146. *XXIV. & 30. Miscellaneous.*—Net revenue 10,000*l.* Decrease 23,000*l.* The largest item is a special payment of 15,000*l.* to the Rájá of Shusang (Garo Hills) in satisfaction of certain territorial claims. In *Bombay* there was a large outlay for the destruction of rats. MISCELLANEOUS.

EXPENDITURE, 1879-80. Expenditure.

147. *1 & XXII. Interest on Debt.*—Net Expenditure 5,330,000*l.* Decrease 389,000*l.* The chief saving is 150,300*l.*, in the discount on the Loan of the 13th March 1879. Of the rest, 76,600*l.* is saved in England and 88,000*l.* in India. 75,000*l.* is improved receipts of interest on arrears of land revenue and interest due from municipalities. INTEREST ON DEBT.

148. *2. Interest other Accounts.*—382,000*l.* Decrease 4,000*l.* No remarks. INTEREST OTHER ACCOUNTS.

By Notification No. 2037, dated 20th December 1879, the rate of interest on Savings Banks Deposits, excepting deposits in Regimental Banks, the rate of interest on which is regulated by Act 22 & 23 Vic., Cap. 20, was raised from 3¾ to 4⅓; the personal attendance of depositors was dispensed with; the banks were thrown open whenever the treasuries are open for business; and the maximum amount which may be deposited in one year, on one account, was raised to 500*l.* 5,581 accounts have been opened during the year, raising the number open to 90,084. The deposits increased from 1,912,401*l.* to 2,057,639*l.*, or by 145,238*l.* SAVINGS BANKS.

149. *3. Refunds and Drawbacks.*—350,000*l.* Decrease 6,000*l.* An item of 6,500*l.*, (land revenue received in Ajmír in trust) struck off from *I. Land Revenue*, and here. REFUNDS.

150. *4. Land Revenue.*—2,945,000*l.* Decrease 83,000*l.*, of which 48,000*l.* in the *North-Western Provinces*, 18,000*l.* in the *Punjab*, and 19,000*l.* in *Madras*, set off by some modifications elsewhere. Of the saving, 49,000*l.* is in the imperial portion, chiefly in settlements, and the rest in the provincial portion. LAND REVENUE.

151, 15 & XIII. *Post Office.*—Net expenditure 163,000*l.* Increase 63,000*l.* This does not include 116,160*l.* spent by the Post Office, directly or as agents for the military authorities, in the Postal Department, on the military operations in Afghánistán and included under 36. *Army*. The excess expenditure otherwise, is due chiefly to high prices everywhere and to the original estimates having been, in some respects, too sanguine. POST OFFICE.

The new contract with the Peninsular and Oriental Company came into operation on the 1st February 1880 and will be in force for eight years, or NEW CONTRACT WITH P. AND O. COMPANY.

Expenditure, till the 31st January 1888. By this contract, the yearly subsidy has been reduced from 430,000*l.* to 360,000*l.*, and a uniform speed of 11 knots an hour substituted for 11½ knots in the Mediterranean and 9 $\frac{3}{16}$th knots east of Suez; the Southampton route has been abandoned; and a fortnightly mail to Australia has been substituted for a monthly mail. In consequence of these modifications the postage *viâ* Brindisi upon a half-ounce letter, to Great Britain and countries served through Great Britain, was reduced, on the 1st February 1880, from 5 to 4½ annas, and that on newspapers (4 oz.), and packets (2 oz.) from 2 annas to 1½ anna.

POST CARDS. Post Cards, inland and foreign, were introduced on 1st April 1879, the postage on an inland card being ¼ anna. The inland cards are so much used, especially by natives of India, that it is difficult to supply the demand. It is not expected that there will be a corresponding diminution of the sale of ½-anna labels and envelopes.

MONEY ORDER DEPARTMENT TRANSFERRED TO THE POST OFFICE. From the 1st January 1880 the Money Order Department was transferred to the Post Office. Under the old system, there were 321 money order offices, and the value of orders issued in the latest year was 636,000*l.* Under post office management, there are 4,850 offices, and the department expects to issue orders for 550,000*l.* in the first quarter of the year, earning in commission 7,500*l.*, or at the rate of 30,000*l.* a year. There may probably be some loss, per contra, from the diminution of insurance payments and of parcels containing money, now sent by post: but these parcels are a temptation to the departmental officials, and their discontinuance will be an advantage.

TELEGRAPHS. 152. *16 & XIV. Telegraphs.*—Net Expenditure 6,000*l.* Improvement 145,000*l.*, of which 50,000*l.* is attributed to the war. The cost of constructing lines beyond the frontier (41,490*l.*) is excluded here and entered under 36, *Army*. The improvement is attributed to the general growth of business.

TELEGRAPH CONSTRUCTION. A capital of 72,900*l.* is expected to be spent on the construction of works. One thousand one hundred and thirty-seven miles of line carrying 3,344 miles of wire, have been erected during the year, chiefly upon the new railways and in connection with the military operations on the North-West and North-East Frontiers. There are now 19,108 miles of line in India (excluding Ceylon) carrying 47,235 miles of wire. Arrangements have been made for the connection of the British telegraphs with the lines in Kashmir.

ADMINISTRATION. 153. *17. Administration*—1,485,000*l.* Saving 13,000*l.*, all on provincial account. The saving (3,300*l.*) under the Government of India from the amalgamation of the Department of Revenue, Agriculture, and Commerce, with the Home and Financial Departments was more than absorbed by other increases, especially in the cost of telegrams to England and Cabul.

MINOR DEPARTMENTS. 154. *18 & XV. Minor Departments.*—Net expenditure 269,000*l.* Decrease 48,000*l.* Some items of revenue have been transferred from *XXIV. Miscellaneous;* but the chief improvement is, as usual, in the sale proceds of cinchona bark.

LAW AND JUSTICE. 155. *19 & XVI. Law and Justice.*—Net expenditure 2,629,000*l.* Increase 42,000*l.* The provincial account is worse by 22,100*l.*, chiefly under jails, owing to continued high prices. The increase in the imperial outlay is in the cost of the penal settlement at Port Blair.

POLICE. 156. *20 & XVII. Police.*—Net expenditure 2,264,000*l.* Increase 25,000*l.* No remarks.

MARINE. 157. *21 & XVIII. Marine.*—Net expenditure 352,000*l.* Increase 12,000*l.* for stores ordered from England.

EDUCATION. 158. *22 & XIX. Education.*—Net expenditure 835,000*l.* Saving 51,000*l.* of which 27,000*l.* is in the expenditure from local funds, mostly in *Madras*, and the rest is provincial.

ECCLESIASTICAL. 159. *23 Ecclesiastical.*—156,000*l.*, and, including the same expenditure in the *Army*, 186,100*l.* Saving in the Civil Department 5,000*l.* No remarks.

MEDICAL. 160. *24 & XX. Medical.*—Net expenditure 619,000*l.* Decrease 21,000*l.* Net expenditure including army expenditure, 1,067,900*l.* The chief improvement is in provincial receipts.

STATIONERY. 161. *25 & XXI. Stationery and Printing.*—Net expenditure 391,000*l.* Decrease 99,000*l.* The saving is to some extent nominal. Supplies will in future be largely bought in India instead of in England. Under the old system, large stocks were maintained which are being consumed this year and will not be replaced till next year.

POLITICAL. 162. *26. Political.*—471,000*l.* Increase 45,000*l.* Owing chiefly to events in Afghánistán.

ALLOWANCES, &C. 163. *27. Allowances & Assignments.*—1,900,000*l.* Saving 9,000*l.* This is the net result of various changes.

FURLOUGH ALLOWANCES. 164. *28. Civil Furlough Allowances.*—220,000*l.* Saving 12,000*l.* An unusually low expenditure.

PENSIONS. 165. *29 & XXIII. Superannuations.*—Net expenditure 1,565,000*l.* Increase 168,000*l.*

SPECIAL MEASURES FOR THE REDUCTION OF PUBLIC WORKS ESTABLISHMENTS. This excess expenditure is owing to the measures taken to reduce the Public Works establishments. It having been determined to curtail the expenditure on public works and to re-organise the Department, the follow-

ing concessions were offered by Resolution No. 2079, dated 31st July 1879, in order to promote retirements:— Expenditure.

To civil engineers: (1) three months' pay in lieu of notice; (2) a special bonus of one month's pay for each year's service, not exceeding a year's pay in all; (3) a pension, subject to certain maximum limits, rising from $\frac{1}{45}$th of salary for one year's service, to half salary for 25 years' service. To staff corps officers: the same special bonus as to civil engineers, besides the commutation of their expectations of Colonel's allowances on the usual conditions. To special royal engineers for whom employment could not be found: furloughs.

Two hundred and forty-three engineers and 109 civil upper subordinates have retired upon these conditions, and special furlough has been granted to 12 officers of the Royal Engineers. There were 1,199 engineers on the 1st April 1879, and 961 on the 1st January 1880. Exclusive of the officers serving under the Governments of *Madras* and *Bombay*, the present staff is 806. So far as can be now ascertained, the staff actually required in the Bengal Presidency is 717, so that there are still 89 supernumerary engineers in Bengal. In the Accounts branch of the department, 9 officers on the superior establishment and at least 33 accountants have retired. THEIR RESULT.

The yearly saving in salaries by these retirements is 247,500*l*. But pensions amounting to 59,700*l*. have been granted, and 266,100*l*. has been paid in gratuities and for capitalised pensions. It seems not improbable that the expenditure this year may exceed the amount shown upon the Regular Estimates. FINANCIAL EFFECTS.

166. *30 & XXV. Railways.*—Net expenditure 286,000*l*., being worse than the original estimate by 204,000*l*. RAILWAYS.

This result is notwithstanding that the railway revenues are believed to have benefited to the extent of 250,000*l*. net by the military operations beyond the Frontier. Thus, the true net outturn of the railways appears to be about 450,000*l*. worse than the estimate. The following items explain the greater part of this difference:—

Construction of the Jhelum-Ráwal Pindí section of the Punjab Northern Railway, which is henceforth to be treated as an ordinary work	230,000	
Construction of certain branch lines for the Salt Department ...	37,000	
Loss by exchange on the revenue transactions of Guaranteed Railways, charged for the first time by transfer to *XXX, Gain by Exchange*	150,000	
TOTAL ...		417,000*l*.

The year has not been prosperous upon the railways generally, the Great Indian Peninsula and the Oudh and Rohilkhand lines, especially, having done badly. Table VII in the Appendix contains details of the gross earnings, working expenses, and net earnings of each railway, state and guaranteed. DETAILS OF RAILWAY EARNINGS.

By Notification No. 128, dated 10th January 1880, a scheme of State Railway Savings Banks was promulgated, under which a minimum sum of half an anna, and, if he has a family, one anna, will be deducted from each rupee of the salary of every railway servant not belonging to the superior engineer or account establishment of the Public Works Department, and deposited in the Savings Bank. To these compulsory deposits will be added by the Government a bonus which will ordinarily bear some proportion to the earnings of the railway on which the officer is serving. STATE RAILWAY SAVINGS BANKS.

167. *31. Famine Relief.*—99,000*l*. Increase 89,000*l*., entirely in *Bombay*, where distress continued much longer than was expected. FAMINE RELIEF.

Of this sum 27,000*l*. represents the intrinsic value of work executed by famine labour on the Eastern Deccan Railway. The amount has nevertheless been entered here, because it seems improbable that the Eastern Deccan Railway will fulfil the conditions on which alone productive public works may be constructed with borrowed money; and the Government cannot foresee the time when funds will be forthcoming for its construction otherwise. Orders have, however, been issued for the conservation of the embankment constructed, which it is hoped will come into use at some future time.

Expenditure. IRRIGATION.

168. *33 & XXVI. Irrigation and Navigation.*—Net Expenditure 302,000*l.* Increase 5,000*l.* This close result is the net outcome of various considerable changes. In the first place, the expenditure (107,300*l.*) on agricultural works (drainage and embankments) has been transferred to this head from 34, *Other Public Works.* Then, provision is made for an outlay of 41,200*l.* on the Nira and other canals in *Bombay* as a measure of famine relief, the amount shown here being the intrinsic value of the work thus executed. Provision is also made for the payment of 19,500*l.* to the Madras Irrigation Company, being the residue of the cost (amounting to 60,000*l.* in all) of their abandoned surveys, which the Secretary of State has thought proper to recoup to the Company. Lastly, 11,100*l.* is being paid for the purchase of private rights on certain inundation canals in Dera Ghazi Khán, Punjab. On the other hand, the owners' rates, amounting to 27,000*l.*, have been transferred from 1, *Land Revenue* to this head. There has been also a considerable improvement of Canal Revenue.

Table VIII in the Appendix contains details of the gross earnings, working expenses, and net earnings of each canal.

OTHER PUBLIC WORKS.

169. *34 & XXVII, Other Public Works.*—Net expenditure 3,666,000*l.* Improvement 752,000*l.* Taking the two heads 33 & 34 together, the improvement is 747,000*l.*, namely, 661,000*l.* less expenditure and 86,000*l.* more revenue.

PUBLIC WORKS REDUCTIONS.

The 661,000*l.* saving in expenditure is thus distributed:—

Local	261,000
Imperial	250,000
Provincial	150,000
	661,000*l.*

PROVINCIAL AND LOCAL SAVINGS.

Inasmuch as the whole cost of the reduction of the Public Works establishment, estimated at 266,100*l.* this year, falls upon the imperial treasury, there has been no immediate and direct saving to it in 1879-80 from the reduction of public works expenditure. The real net saving, so far, has accrued to the provincial and local treasuries.

PROVINCIAL AND LOCAL SURPLUSES AND BALANCES.

170. *35 & XXVIII. Provincial and Local Surpluses.*—Net surplus 265,000*l.* Improvement 456,000*l.*

There was a like improvement of 469,000*l.* in the Accounts of 1878-79, as compared with the regular estimates (*Paragraph 120*). The provincial and local balances at the end of 1879-80 are now expected to exceed the sums last estimated as follows:—

	Provincial.	Local.	Total.
Now estimated ...	1,331,800	1,336,700	2,668,500
Estimated last year ...	837,000	716,900	1,553,900
Better	494,800*l.*	619,800*l.*	1,114,600*l.*

SPECIAL CONTRIBUTIONS.

This result is the more remarkable and satisfactory in that, during the year, the Local Governments agreed to contribute from their balances, in special aid of the imperial treasury, the sum of 670,000*l.*, half of which, 335,000*l.*, has been charged in the accounts of the current year. The other half will be charged in 1880-81. The reduction of their expenditure on public works and the general improvement of their provincial resources has enabled the Local Governments to afford this timely help to the general finances with little apparent difficulty.

ARMY.

171. *36 & XXIX. Army.*—Net expenditure 20,143,000*l.* Increase 2,768,000*l.*

This is in consequence of the renewal of hostilities in Afghánistán and, in particular, to provide for the construction of the railways to Kandahár and Peshawar. The original grant included 2,000,000*l.* for the operations in Afghánistán. The regular estimate contains the following provisions:—

Military expenditure proper	3,137,000
Frontier railways	1,440,000
Construction of telegraphs	42,000
Post Office	37,000
	4,656,000*l.*

A part from these operations, the regular estimate is for a net expenditure of 15,487,000*l.*, being in excess of the estimate by 112,000*l.*, which is due to high prices. Expenditure.

172. *37 & XXX. Exchange.*—Net loss 2,864,000*l.* Improvement 1,010,000*l.* EXCHANGE.

The estimate was for the remittance to the Home Treasury of 15,000,000*l.* at an exchange of 1*s.* 7*d*; the entry under *Loss by Exchange* was thus 3,952,000*l.* It is now hoped that 15,750,000*l.* will be remitted at an average exchange of 1*s.* 8*d*; the entry under *Loss by Exchange* in respect to these remittances would, in that event, be 3,150,000*l.* The excess (38,000*l.*) is for minor remittances to England. The remittances of the year are now expected to exceed the whole net current disbursements of the Home Treasury, including the war expenditure, by 21,460*l.* Of the improvement (246,000*l.*) in the receipts, 150,000*l.* is transferred from the Railways (*paragraph 166*).

173. *38. Productive Public Works.*—3,700,000*l.* Increase 200,000*l.* £220,000 has been recorded under this head, being advances made to the East Indian Railway Company before the purchase of the line, which must now be written off. The Company will pay interest upon them. For the rest there has been a saving of 182,000*l.* in England, set off by certain additional grants aggregating 154,700*l.* to facilitate the introduction of a change of system under which the Local Governments are no longer allowed to supplement from provincial resources the grants made to them under this head. PRODUCTIVE PUBLIC WORKS.

174. *Railway Construction.*—At the beginning of 1879-80, 8,213 miles of Railways were open to traffic and 1,015 miles were under construction. The construction of 958 miles of railway has been sanctioned within the year, and 511 miles have been opened for traffic. At the end of the year 8,724 miles of railway will be in use, and 1,462 under construction. RAILWAY CONSTRUCTION, 1879-80.

Great progress has been made during the year in the connection of the Rajputáná Railway with the Barodá and Great Indian Peninsular Railways. The lines in Bengal have been completed, and fair progress has been made with the Nágpúr-Ráipúr Railway. But the great work of the year has been the rapid construction of the Frontier Railways towards Pesháwar, Kohát, and Kandahár. In less than four months from the commencement of operations, trains were running for 140 miles towards Kandahár; while, on the Pesháwar line, where the rails have to be carried over viaducts 100 feet high, and through cuttings of rock 60 feet deep, engines are expected to reach the banks of the Indus before the end of 1880.

175. *Construction of Irrigation Works.*—£797,000 was spent on the construction of works of irrigation and navigation as follows:—In *Madras*, much progress was made with the Godavery Delta works; the sanctioned portion of the Kistna Delta system is approaching completion; some small improvements were made in the Cauvery system, and the Srivaikuntum project was completed. In *Bombay*, the sanctioned portion of the Mutha Canals was finished. In *Bengal*, the Orissa project, so far as the works have been sanctioned, is approaching completion, and distributaries were added to the Midnapore and Buxar Canals. Estimates are under consideration for a navigable canal to connect the Hidgellee Tidal Canal with the Orissa system. In the *North-Western Provinces*, the remodelling of the Ganges Canal was carried on as rapidly as was possible without interference with the working of the canal. There was a small outlay on the Agra Canal in completing the distributary system. The Lower Ganges Canal was opened for irrigation in 1878-79; the outlay on it was on the branches and distributaries. In the *Punjab*, progress was made with the realignment of the Western Jumna Canal. The new main channel and junction with the old Hansi Canal was completed; the Delhi Branch is in hand; and a portion of the new distributary system is in operation. Work on the Swát Canal was hindered by the recall of officers to field service and by scarcity of labour. The Sirhind Canal works have been vigorously pushed on, difficulties at some of the head works in the Sutlej Valley, which at one time threatened to delay the opening of the canal, having been at last overcome. CANAL CONSTRUCTION.

176. *Madras Harbour Works.*—1,344 feet were added to the North pier and 981 feet to the South pier during the year. The lengths of these piers on the 31st March next are now expected to be 2,870 and 2,070 feet respectively. MADRAS HARBOUR WORKS, 1879-80.

177. *Revenue and working expenses of Productive Public Works.*—Net expenditure 586,000*l.* Improvement 683,000*l.* PROFIT AND LOSS ACCOUNT, PRODUCTIVE PUBLIC WORKS.

This is due mainly to the transfer of 578,400*l.* on account of the land revenue of the *Madras Presidency* attributed to these works. This is the amount estimated in the local Public Works Department: it has not yet been checked in the local Revenue Department, but it appears sufficiently probable and reasonable for the Government of India to adopt it provisionally. The estimates of the land revenue attributed to the productive public works are now thus provisionally complete. The regular estimates also show a net improvement of 54,000*l.* under *Irrigation*, due in part to the transfer to this head from *Land Revenue* of the owner's rates (*paragraph 168*), and partly to an actual increase of revenue.

Expenditure.
POLICY OF PRODUCTIVE PUBLIC WORKS EXPENDITURE.
PRINCIPLES SETTLED.

178. The whole policy of the construction of Productive Public Works in India has been, during the year, the subject of investigation by a Select Committee of the House of Commons, and of correspondence between the Government of India and the Secretary of State. Although this correspondence is not yet concluded, the Government of India understands the following points to be settled for the present, namely:—

i. That any money which it may be necessary to borrow for the construction of such works shall be borrowed in India in rupees, and not in London in sterling money.

ii. That not more than 2,500,000*l.* a year, on an average, shall be thus borrowed, in addition, however, to any capital expended upon the East Indian Railway or any other undertaking which may be hereafter acquired by the State in like manner; in addition also to any money which may be lent to the Government of India by Native States for the construction of Productive Public Works.

iii. That the yearly grant for the construction of Productive Public Works shall not exceed 2,500,000*l.* in addition to the capital expended upon the East Indian Railway or any undertaking similarly acquired hereafter, and to the expenditure upon any works the funds for the construction of which are lent to the Government of India by Native States.

iv. That the unexpended portion of the grant of the past year may be re-granted for expenditure in the following year. The object of this provision is to prevent the waste and inconvenience incident to the lapse of unspent grants for the construction of public works.

DETAILS, 1879-80 AND 1880-81.

Particulars of the estimated capital expenditure on railways and irrigation works during 1879-80 and 1880-81 will be found in Tables V and VI of the Appendix. It will be seen that all the sanctioned works are nearly completed, and that it will be necessary to take into immediate consideration what works shall next be taken up.

LOAN OF 13TH MARCH 1879.

179. *Debt Incurred.*—Net 5,131,000*l.* More 804,500*l.*, of which 540,700*l.* in India where less was paid off than was expected, and 263,800*l.* in England, where 310,016*l.* less than was estimated in March last was raised at the close of 1878-79.

LOANS REPAID.

On the 13th March a loan of 5,000,000*l.* was notified, subscriptions to which were accepted for 4,975,680*l.*; the balance, 24,320*l.*, was accidentally rejected, certain tenders having been inadvertently counted twice. This balance may be set against the excess 15,827*l.* subscribed to the original Transfer Loan, as explained in paragraph 126. The Loan was subscribed at an average of 95-0-6 per cent. The discount upon it charged in the Accounts of 1879-80 was 247,239*l.* Of the outstanding portion of the 5½ per cent. Loan of 1859-60, 1,123,900*l.* will have been paid off during the year, leaving 105,600*l.* still due. Other outstanding notes amounting to 1,800*l.* were discharged. The net sum borrowed is thus, so far, 3,850,000*l.*

LOCAL DEBENTURE LOANS.

180. A Local Debenture Loan of 45,020*l.* was raised for the Cawnpore-Farakhábád Light Railway at 4 per cent. interest with share of profits.

A Local Debenture Loan of 50,000*l.* was offered at Nagpúr in November at par at 4½ per cent. interest with half the percentage of surplus profits on the Nagpur-Raipur Railway. The subscriptions amounted to 42,700*l.*, of which 17,300*l.* is payable this year and 25,400*l.* next year.

LOAN OPERATIONS, HOME TREASURY.

181. The Secretary of State received 2,000,000*l.* without interest from Her Majesty's Imperial Government under the Indian Advance Act, 1879: but on the other hand he repaid sterling debt amounting to 736,200*l.*

TOTAL LOAN OPERATIONS.

182. Thus the net debt incurred amounted to 5,131,000*l.*, or, excluding the loan from Her Majesty's Government, 3,131,000*l.* Including railway capital transactions, savings bank deposits, service funds, loans to native states, &c., and the repayment of such loans, the net amount borrowed in 1879-80 was, apart from the 2,000,000*l.* advanced as aforesaid under the Indian Advance Act, 3,688,000*l.*

PRICE OF SECURITIES.

183. The price of public securities has risen rapidly during the year. The price of 4½ per cent. paper has now for some time been above 101, and that of Four per cents. is now nearly 94.

184. The equation of the year 1879-80 may accordingly be stated thus—

Borrowed ...	...	5,523,000	Deficit of Revenue	...	3,581,000
Net other receipts	...	147,922	Balances decreased	...	2,089,922
		5,670,222*l.*			5,670,922*l.*

BUDGET ESTIMATES, 1880-81.

Budget Estimates, 1880-81.

185. In the following Synopsis the BUDGET ESTIMATES of Revenue and Expenditure and Receipts and Disbursements in 1880-81 are compared with the REGULAR ESTIMATES of 1879-80 and the ACCOUNTS of 1878-79. SYNOPSIS.

Synopsis.

COMPARISONS.

	ACCOUNTS, 1878-79.	1879-80. REGULAR ESTIMATES.	1880-81. BUDGET ESTIMATES.	BUDGET ESTIMATES OF 1880-81, COMPARED WITH: REGULAR ESTIMATES, 1879-80 — Better.	REGULAR ESTIMATES, 1879-80 — Worse.	ACCOUNTS, 1878-79 — Better.	ACCOUNTS, 1878-79 — Worse.
	£	£	£	£	£	£	£
REVENUES	65,207,694	67,583,000	66,746,000	...	837,000	1,538,306	...
EXPENDITURE ...	63,163,303	67,464,000	66,329,000	1,135,000	...	...	3,165,697
SURPLUS REVENUE ...	2,044,391	119,000	417,000	298,000	...	...	1,627,391
Capital Expenditure on Productive Public Works.	4,381,898	3,700,000	3,312,000	388,000	...	1,069,898	...
NET EXPENDITURE ...	2,337,507	3,581,000	2,895,000	686,000	...	...	557,493
RECEIPTS OTHER THAN REVENUES.	66,368,962	74,785,000	63,467,000	...	11,318,000	2,901,962	...
DISBURSEMENTS OTHER THAN EXPENDITURE.	65,696,336	69,114,078	63,322,000	5,792,078	...	2,374,336	...
EXCESS RECEIPTS OTHER THAN REVENUES.	672,626	5,670,922	145,000	...	5,525,922	...	527,626
Public Balances Reduced ...	1,664,881	...	2,750,000	...	4,839,922	...	1,085,119
Public Balances Increased ...	...	2,089,922	...	...	...	...	...
CLOSING BALANCES ...	13,910,078	16,000,000	13,250,000	...	2,750,000	...	660,078

COMPARISON WITH 1878-79.

186. The revenue is estimated at 66,745,000*l.*, being 813,000*l.* less than the revenue of 1879-80. The ordinary expenditure is estimated at 66,329,000*l.*, being 1,135,000*l.* less than in 1879-80. The surplus revenue as compared with the ordinary expenditure is estimated at 416,000*l.*, being 332,000*l.* more than in 1879-80. The capital expenditure on productive public works is estimated at 3,312,000*l.*, being 388,000*l.* less than in 1879-80, and the deficit as compared with the whole expenditure is estimated at 2,896,000*l.*, being less than the deficit this year by 720,000*l.*

EXCESS MILITARY EXPENDITURE.

187. The estimated expenditure in 1880-81 includes grants for 4,360,000*l.* for the military operations in Afghánistán as follows:—

Military operations proper	1,978,000
Frontier railways	2,270,000
Telegraphs	72,000
Post Office*	40,000
	4,360,000*l.*

of which 4,130,000*l.* is shown under 36, *Army*, and 230,000*l.* under 32, *Railways*.

Against this must be set an improvement in the railway and telegraph revenues, estimated at 300,000*l.*, leaving the net charge for the war upon the estimates of 1880-81 at 4,060,000. It may be safely said that, but for the war expenditure, the true surplus upon the estimates, to compare with the standard surplus of 2,000,000*l.* (less famine and other abnormal expenditure) would not have been less than 4,000,000*l.*

* Besides the military transport train worked by the Post Office for the military authorities.

Budget Estimates, 1880-81.

PROCEEDS OF FAMINE INSURANCE TAXATION.

188. The estimated revenue includes 982,000*l.* obtained from the taxation originally imposed in 1878 to enable the State to meet its obligations in times of famine without risk of insolvency; namely:—

	Assessed Taxes (net) less refunds.	Cesses.	TOTAL.
Bengal	140,000	333,000	473,000
Bombay	126,000	...	126,000
Central Provinces	11,000	13,000	24,000
Madras	45,000	...	45,000
North-Western Provinces and Oudh	115,000	110,000	225,000
Punjab	42,000	47,000	89,000
	479,000*l.*	503,000*l.*	982,000*l.*

DOUBTFUL PRODUCTIVE PUBLIC WORKS.

189. The estimated expenditure on productive public works which is not wholly satisfactory, amounts in 1880-81 to only 398,000*l.* as follows, and is far more than covered by the excess surplus:—

Indus Valley Railway	200,000
Punjab Northern Railway	73,000*
Orissa Canals	44,000
Midnapore Canals	16,000
Western Jumna realignment	65,000
	398,000*l.*

SATISFACTORY RESULTS.

190. Thus the Estimates for 1880-81 show a result not less satisfactory than the Regular Estimates of 1879-80, and altogether surpass the standard surplus at which the Government of India aims. The following are the comparisons in detail between the Budget Estimates of 1880-81 and the Regular Estimates of 1879-80:—

REVENUES, 1880-81.

LAND REVENUE.

191. *I. Land Revenue.*—22,062,000*l.* Decrease 327,000*l.* The current year's revenue includes considerable famine arrears.

TRIBUTES.

192. *II. Tributes.*—698,000*l.* Decrease 16,000*l.* Arrears recovered in 1879-80.

FORESTS.

193. *III. & 5, Forests.*—Net revenue 158,000*l.* Improvement 17,000*l.* There has been a considerable falling off in the net revenue from Forests since 1877-78, owing to the contraction of public works and to special attention being given to the demarcation of the State reserves rather than to the development of revenue. Some recovery is expected in 1880-81.

EXCISE.

194. *IV. & 6, Excise.*—Net revenue 2,671,000*l.* Improvement 16,000*l.* A considerable improvement is looked for here (but, for want of data, not fully included in the estimates) from the taxation of the consumption of opium in the *Madras* Presidency, the arrangements for which are now nearly complete.

GROWTH OF EXCISE REVENUE.

Since 1873-74 the net Excise revenue has grown from 2,193,000*l.* to, as now estimated, 2,671,000*l.*, or by 478,000*l.*, an average of 69,000*l.* a year, and this notwithstanding that many of these seven years have been years of famine. The estimate of improvement in 1880-81 is therefore moderate.

ASSESSED TAXES.

195. *V. & 7, Assessed Taxes.*—Net revenue 515,000*l.*; decrease 247,000*l.*; due to the exemption from taxation of every one whose income is less than Rs. 500 a year.

PROVINCIAL RATES.

196. *VI. & 8, Provincial Rates.*—Net revenue 2,711,000*l.*; increase 55,000*l.* Additional cesses in *Assam* and *Burmah* for education, village police, and public works.

CUSTOMS.

197. *VII. & 9, Customs.*—Net revenue 1,971,000*l.* Decrease 59,000*l.*, of which 17,500*l.* is the remaining net loss upon cotton goods, and 54,000*l.* is owing to the remission of the export duties on indigo and lac. On the other hand, an improvement of 15,000*l.* is expected from the revision of the tariff values.

TARIFF REVISION COMMITTEE.

By letter No. 29, dated 7th February 1879, the Hon'ble Mr. Hope and Mr. J. D. Maclean were appointed Commissioners to report *inter alia* whether it was desirable to revise the tariff valuations yearly, and, if so, how such revision should be made.

* Besides 230,000*l.* included in Grant 32, *Railways*.

The Commissioners recommended a yearly revision of the tarif values, and advised that the materials for such revision should be systematically collected throughout the year at the ports of Calcutta, Bombay, Madras, Rangoon, and Kurrachee and collated in Calcutta, in February of each year, by a Committee of three persons to be appointed by the Government of India, one of them being *ex-officio* the Collector of Customs at Calcutta. The first committee of revision was accordingly appointed in January last, the Hon'ble Mr. Hope, and, on the nomination of the Bengal Chamber of Commerce Mr. J. W. O'Keefe, a member of the firm of Messrs. Kettlewell, Bullen and Company, having consented to serve upon it with Mr. J. D. Maclean, Collector of Customs, Calcutta. The Committee has just completed its revision, which is estimated to produce an increase of 15,000*l.* to the Customs revenue. Revenues.

198. *VIII. & 10, Salt.*—Net revenue 7,173,000*l.*, or, deducting compensations to the Rajpútáná States (278,600*l.*), Portuguese India (40,000*l.*), Cambay (4,000*l.*), and some other States in Bombay (total 323,100*l.*), 6,849,900*l.* Increase 194,000*l.* Salt.

The consumption is constantly increasing. There are the following special reasons for expecting an increase of gross revenue next year: the duty upon consumption of salt in Portuguese India will accrue for the first time: the untaxed stocks in Rajpútáná are approaching exhaustion; and stocks of Government salt are to be sold in Malabar. Growth of Salt Revenue.

After setting off compensations and royalty payments, the net Salt Revenue has grown from 5,604,700*l.* in 1872-73 to 6,849,900*l.* in 1880-81, or by 1,245,200*l.* in eight years. The taxed yearly consumption has increased from 23,673,343 maunds in 1872-73 to (by estimate) 27,866,000 in 1879-80, or by 4,193,000 maunds in seven years. The estimated consumption in Rajputána taxed for the first time this year is 7,00,000 maunds, yielding a duty of 170,000*l.* Next year it is expected that 9,00,000 maunds of such salt will be taxed, yielding a duty of 200,000*l.*

199. *IX. & 11, Opium.*—Net 7,250,000*l.*; decrease 1,150,000*l.* The revenue in 1879-80 is abnormally high. Opium.

The estimate now taken exceeds by 687,790*l.* the highest estimate heretofore made (in 1869-70). It is justified by the actual net revenue of the last two years, namely, 7,700,700*l.* in 1878-79 and 8,400,000*l.* in 1879-80. The net revenue of 1878-79 benefited in consequence of the short crop by 437,600*l.*, and that of 1879-80 benefited, from the same cause, by 186,600*l.* Still, on the whole, an estimate of 7,250,000*l.* for the coming year, seems safe.

The Bengal crop of 1878-79 yielded 29,870 chests 75 °/₀ consistence and 20,175 chests 70 °/₀ consistence. Thus the stock in hand on the 1st January 1880 was 38,179 chests 75 °/₀ consistence, and 43,404 chests 70 °/₀ consistence, total 81,583 chests. The provision for sale during 1880 is 28,200 chests of each consistence, so that the reserve on the 1st January 1881 will be 9,979 chests 75 °/₀ consistence, 15,204 chests 70 °/₀ consistence, total 25,183 chests. Crops, 1878-79. Reserve Stock.

200. *X. & 12, Stamps.*—Net revenue 3,089,000*l.* Decrease 1,000*l.* The local authorities attribute the recent rapid growth of this revenue to the unfavourable seasons, and are not sanguine of its continuance. Stamps.

201. *XI. & 13, Registration.*—Net revenue 99,000*l.*; a decrease of 1,000*l.* It is the impression of the local authorities that registrations are more active in less prosperous years. Registration.

202. *XII. & 14, Mints.*—Net revenue 85,000*l.* Decrease 65,000*l.* As the Secretary of State's bills will be increased from 15,750,000*l.* to 16,900,000*l.*, it is not expected that so much silver will be imported next year. Mints.

203. *XIV & 16 Telegraphs.*—Net revenue 19,000*l.* Improvement 25,000*l.* Of the net revenue, 50,000*l.* is again attributed to the war. Besides the expenditure shown here, 72,210*l.* expended on lines beyond the North-West frontier is entered under 36, *Army*. Expected capital expenditure included under this head, 66,300*l.* Telegraphs.

This is the first time that a net revenue has been estimated from telegraphs. Provision is made for the construction of the lines upon the expected new Railways. From the 1st of April the extra charge (50 per cent.) upon messages to and from Burmah and the double charge for messages dispatched at night or on Sundays or holidays will be given up. The rate for press messages dispatched at night will also be reduced. The programme for the year is the construction of 1,497 miles of line carrying 3,735 miles of wire. This will make the total approximate length of the system 20,605 miles of posts and 50,970 miles of wire. Telegraph construction.

Revenues.

The Ceylon Lines will be made over to the Colonial Government on the 1st July 1880, when a sum of 14,065*l.* (included in the estimated revenue) will be recovered by the Government of India to make good some of its recent loss in working those lines:

MISCELLANEOUS.

204. *XXIV. & 30, Miscellaneous.*—Net revenue 4,000*l*; decrease 6,000*l*. Money Orders transferred to the Post Office.

RAILWAYS.

205. *XXV. & 32, Railways.*—Net revenue 794,000*l*. of which 250,000*l*. is attributed to the military operations in Afghánistán. Improvement 1,080,000*l*.

Of this amount 268,337*l*. is nominal, owing to only three-quarters of the East Indian Railway annuity falling due in the financial year 1880-81, against which, however, may be set a payment of 235,000*l*. due to the Company under the old contract for the second half of 1879. In other respects the purchase of the East Indian Railway is expected, upon the estimates of 1880-81, to produce a net revenue of 300,570*l*.* in excess of what it would have yielded under the old system. The guaranteed Railways will, it is hoped, in presence of the prosperous season, yield 405,000*l*. more than this year, being only 40,000*l*. more than was originally estimated for 1879-80. No traffic in excess of this year is expected from the East Indian Railway.

From the other State Railways an improvement of 231,200*l*. is expected from increased mileage open and from development of traffic.

There is no doubt always an element of speculation in the estimates of Railway revenue; but an increasing return may fairly be expected from the constantly increasing capital expenditure on the construction of these works, which by the end of 1880-81 will amount to 130,384,000*l*. or 145 crores of Rupees.

PURCHASE OF THE EAST INDIAN RAILWAY.

NEW CONTRACT FOR THE MANAGEMENT OF THE LINE.

206. The chief event of the year is the purchase of the East Indian Railway for the State with effect from the 1st January 1880. The price paid was 37,200,000*l*., as explained in paragraph 209. A fresh contract has been since made with the East Indian Railway Company for the management of the line on behalf of the State. Under this contract, the Company will hold 6,550,000*l*. of annuity stock, on which they will receive, while their contract continues, only 4 per cent. instead of the annuity of 4½ per cent. which is paid to other annuitants, and which will be paid to them also on the expiration of their contract. In compensation for the suspension of this ½ per cent., amounting to 32,750*l*. a year, and as remuneration for the management of the Railway, the Company will receive one-fifth of the surplus profits of the Line after providing for all working expenses, and for the whole interest and annuity, excepting only the suspended 32,750*l*. The price paid to the Company for the management of the Line will thus be one-fifth of the surplus profits after defraying the whole interest and annuity charge, minus ⅘ (32,750*l*.) = 26,200*l*.

PROVINCIAL AND LOCAL DEFICITS.

207. *XXVIII & 35. Provincial and Local Deficits.*—Net deficit 116,000*l*., caused by provision being made for payment of the second half of the special contributions of 670,000*l*. explained in paragraph . Worse 381,000*l*. The closing balances are expected to amount to 2,521,700*l*., as follows:—

Provincial	1,171,500
Local	1,350,200
TOTAL	2,521,700*l*.

* Thus calculated—

Comparative Statement of the net revenue from the East Indian Railway under the Old and New Contracts.

OLD CONTRACT.			NEW CONTRACT.		
		Rs.			Rs.
Net earnings		2,76,00,000	Net earnings, less Rs. 1,00,000 charged for supervision as part of the working expenses		2,75,00,000
Deduct—			Deduct—		
Guaranteed Interest—	Rs.		Interest and annuity, 1,603,340*l*. @ 1s. 8½*d*. per rupee	Rs. 1,87,71,000	
In India	23,700		Surplus profits and contribution ...	19,04,000	
In England, 1,457,250*l*. @ 1s. 8*d*. ...	1,74,87,000				2,06,75,000
		1,75,10,700	Net revenue		68,25,000
Surplus profits and contributions		60,25,000	Net revenue under the old Contract		37,73,300
Land and supervision		1,21,000	Excess under the new Contract		30,51,700
Loss by Exchange on net Capital receipts in India due to the contract rate of exchange—			Add sinking fund payment included in the item of 1,603,340*l*., 55,828*l*. @ 1s. 8*d*.		6,69,936
On Rs. 17,00,000 at 1s. 10*d*. = 155,800*l*. = at 1s. 8*d*. Rs. 18,70,000—Rs. 17,00,000 = Loss of ...		1,70,000	TOTAL ...		37,21,636
		2,38,26,700			
Net revenue ...		37,73,300			
		2,76,00,000			

NOTE.—Does not include an expected credit of Rs. 5,00,000 in respect to certain funds which will now be absorbed.

Most of the Local Governments have sufficient funds at their disposal. The working of the provincial system continues to be satisfactory. Revenue.

EXPENDITURE, 1880-81. Expenditure.

208. *1 & XXII. Interest.*—Net charge 5,088,000*l.* Improvement 242,000*l.*, the greater part of which occurs at the Home Treasury, where a saving of 86,000*l.* is expected, being half a year's gain by the conversion into a Four per cent. Loan of the Five per cent. Sterling Loan of 17,200,000*l.*; and the rest is attributed to a re-arrangement of the dividend days, causing a nominal saving in 1880-81 of 172,000*l.* Interest.

209. The following table contains the usual statistics of the Funded Debt of India:— Statistics of Debt.

Estimated Debt of the Government of India on the 31st March 1880.

(Sterling and Rupees combined on the assumption that £1=Rs. 10.)

Rate of Interest.	Capital amount outstanding. Sterling.	Rupees.	Silver convertible at the option of the creditors into Sterling at a rate equivalent to 1*s.* 10½*d.* (exactly 1*s.* 10·536*d.*)=1 Re.	Value in Rupees.	A year's interest thereon.
	£				
5	17,200,000	60,03,000	...	17,80,03,000	89,00,150
4½	1,500,000	20,56,27,866	...	22,06,27,866	99,28,253
4¼	1,000,000	...	...	1,00,00,000	4,25,000
4 3/10ths	27,623,386	...	...	27,62,33,860	1,18,78,056
4	49,134,639	60,23,72,611	...	1,09,37,19,001	4,37,48,760
4	...	...	1,23,06,665	1,23,06,665	4,92,267
7 shillings	...	2,44,200	...	2,44,200	10,256
3½	...	6,39,800	...	6,39,800	22,393
Nil	2,020,917	7,61,700	...	2,09,70,870	*Nil*
	98,478,942	81,56,49,177	1,23,06,665	1,81,27,45,262	7,54,05,135

This table includes the following entries consequent upon the purchase of the East Indian Railway by the State, namely,— Debt incurred for purchase of E. I. Railway.

in the Sterling column, bearing interest at—	
4½ per cent.	1,500,000
4 3/10ths per cent.	27,623,386*
4¼ per cent.	1,000,000
4 per cent.	7,065,939
and in the Rupee column, 4 per cent. (Rs. 1,06,750)	10,675
	37,200,000*l.*

The first and third items and 1,950,000*l.* into the fourth item are represented by the debentures (4,450,000*l.*) issued by the East Indian Railway Company, which now form part of the Public Debt of India.

210. The table includes also the following Local Railway Debenture Loans:— Local Railway Debenture Loans.

Mathurá-Hatrás	32,410
Cawnpore-Farakhábád	45,020
Dildárnagar-Gházipúr	50,080
Nágpúr-Ráipúr (25,962*l.* more to be added next year) ...	17,308
Total ...	144,818*l.*

211. It includes also 2,000,000*l.* bearing no interest, being the amount advanced by Her Majesty's Government under the Indian Advance Act, 1879, on the occasion of the war in Afghánistán. The total actual money value to India of this assistance was 285,143*l.*, being the difference between 2,000,000*l.* and 1,714,857*l.*, which is the actual value of an annuity of 285,714*l.* for seven Loan by Imperial Government for Afghanistan.

* *Note.*—In future tables the sinking fund payment of the preceding year will be deducted from the balance of this item.

Expenditure.

years at 4 per cent. interest. The cost to England was less, as England does not pay 4 per cent. interest upon her debt.

EAST INDIAN RAILWAY ANNUITY.

212. The actual annual East Indian Railway annuity rate of payment in respect to the 27,617,396*l.* entered in the table as part of the price of the East Indian Railway is 4½ per cent., but of this 4*s.* per cent. is the sinking fund payment, which will liquidate the whole debt in 73 years. The amount of interest alone is 4*l.* 6*s.* per cent. The actual interest payment upon 6,550,000*l.* of this sum, the capital of the re-organised East Indian Railway Company, is only 4 per cent., 10*s.* per cent. upon that sum being suspended, during the currency of the new contract, under which the Company receives one-fifth of the surplus profits. But, for the purpose of this table, it seems proper to make no distinction between it and the rest of the debt to be discharged by the annuity.

REMAINING GUARANTEED CAPITAL.

213. The capital of the remaining Guaranteed Companies is now estimated at 68,079,000*l.*, the interest on which, amounting to 3,316,000*l.*, is guaranteed in sterling in London from Indian revenues. Omitting the 2,000,000*l.* described in para. 211, the total registered debt of India of all kinds is as follows:—

Total Debt of India classified according to the standard (gold or silver) by which it is paid, and brought to the common standard of silver at 1s. 8d. being the estimated average exchange of the year 1880-81.

	Capital of debt. £ Rs.	Capital of debt, gold bearing debt being converted into silver at the expected average exchange of 1880-81. Rs.	A year's interest thereon. £ Rs	The same, the interest payable in gold being converted into silver at the expected average exchange of 1880-81. Rs.
Interest payable in silver ...	Rs.81,59,09,077	81,59,09,077	Rs.3,36,91,352	3,36,91,352
Ditto ditto in gold ...	£96,478,942	1,15,77,47,304	£4,123,173	4,94,78,076
Ditte ditto in silver, or, at the option of the creditor, in gold at a rate equivalent to 1*s.* 10½*d.*=1 Re.	Rs.1,23,06,665	1,38,45,000	Rs.4,92,267 or £46,150	5,53,800
Capital of Railway Companies and Madras Irrigation Company, (guaranteed interest payable in gold).	£68,079,000	81,69,48,000	£3,316,000	3,97,92,000
Total Capital Debt ...	Rs.82,82,15,742 +£164,557,942	2,80,44,49,381	Rs.3,36,91,352 +£7,485,323	12,35,15,228

The average rate of interest upon the whole debt is now 4·40 per cent. Last year thus calculated, it was 4·45 per cent.

INTEREST OTHER ACCOUNTS.

214. 2. *Interest other Accounts.*—400,000*l.* Increase 18,000*l.* Provision made for the increased rate of interest allowed upon Savings Bank Deposits (*see para.* 148) and for the growth of these deposits.

REFUNDS.

215. 3. *Refunds & Drawbacks.*—318,000*l.* Decrease 32,000*l.* Assessed Taxes and Customs Revenue remitted. Moreover, there have been some large special items in 1879-80.

LAND REVENUE.

216. 4. *Land Revenue.*—2,995,000*l.* Increase 50,000*l.* There is an actual improvement of 9,400*l.* in the imperial accounts, but an excess expenditure of 41,500*l.* in the provincial, and 17,900*l.* in the local accounts. New districts created in the *North-Western Provinces.*

POST OFFICE.

217. *15 & XIII. Post Office.*—Net expenditure 134,000*l.* Improvement 29,000*l.* The sum of 229,943*l.* estimated to be spent in the Postal Department (directly or as agent for the Military Department) in consequence of the military operations in Afghánistán, is excluded from this head and shown under 36, *Army*.

The improvement expected is in the revenue, which has grown from 580,300*l.* in 1872-73 to 968,000*l.* in 1879-80, or by 387,700*l.* in the seven years, average 55,400*l.* a year. No doubt the expenditure has increased also, during the same period, from 714,700*l.* to 1,131,000*l.*, or by 416,300*l.*; but it is a reasonable expectation that the expenditure will not, in future, increase so rapidly as the revenue. Moreover, some considerable improvement is expected in the Money Order Department. The share belonging to India of the saving

in the subsidy to the Peninsular and Oriental Company is not yet settled. It ought to be considerable. Expenditure.

218. *17. Administration.*—1,466,000*l.* Decrease 19,000*l.*

There is a decrease of 30,000*l.* in the Imperial establishments. The Provincial and Local establishments show an increase of 11,000*l.* £8,300 is saved by the abolition of the Department of Revenue, Agriculture and Commerce, and 7,380*l.* in the Public Works Department, including the abolition of the office of Public Works Member of Council. The rest of the saving is in tour expenses. ADMINISTRATION.

219. *18 & XV. Minor Departments.*—Net grant 356,000*l.* Increase 87,000*l.*; 60,000*l.* provided for the Census, being about half its whole anticipated cost. The rest is owing to the usual caution in estimating the sale proceeds of cinchona bark. MINOR DEPARTMENTS.

220. *19 & XVI. Law and Justice.*—Net grant 2,673,000*l.* Increase 44,000*l.*, all provincial; chiefly for the new districts in the North-Western Provinces. LAW AND JUSTICE.

221. *20 & XVII. Police.*—Net expenditure 2,281,000*l.* Increase 17,000*l.* No remarks. POLICE.

222. *21 & XVIII. Marine.*—Net grant 342,000*l.* Decrease 10,000*l.*, notwithstanding a provision of 10,000*l.* for the purchase of a steamer for the Arracan Coast. More receipts are anticipated. MARINE.

223. *22 & XIX. Education.*—Net grant 879,000*l.* Increase 44,000*l.* The original grants of 1879-80 are nearly restored. EDUCATION.

224. *23. Ecclesiastical.*—Grant 159,000*l.* and, including the military expenditure, 189,500*l.* Increase in the Civil Department 3,000*l.* No remarks. ECCLESIASTICAL.

225. *24 & XX. Medical.*—Net grant 669,000*l.* Increase 50,000*l.* Net expenditure, including military expenditure, 1,069,300*l.* Increase only 1,400*l.* MEDICAL.

The re-organisation of the Medical Department involves a transfer of charge from the Military to the Civil Departments. The estimates show, on the whole, no saving as yet.

226. *25 & XXI. Stationery and Printing.*—Net grant 437,000*l.* Increase 46,000*l.* Short outlay in 1879-80. STATIONERY, &c.

227. *26. Political.*—Grant 436,000*l.* Decrease 35,000*l.* It is hoped that a good deal of the expenditure in 1879-80 will not recur. Also some savings have been effected in the Political Department. POLITICAL.

228. *27. Allowances and Assignments.*—Grant 1,846,000*l.* Decrease 54,000*l.* Considerable arrears paid in 1879-80. ALLOWANCES, &c

229. *28. Civil Furlough Allowances.*—Grant 233,000*l.* Increase 13,000*l.* A normal grant according to recent experience. FURLOUGH ALLOWANCES.

230. *29 & XXIII. Superannuations.*—Net grant 1,596,000*l.* Increase 31,000*l.*, notwithstanding the heavy expenditure in 1879-80 in consequence of the reductions in the Public Works Department. PENSIONS.

The cause is the exhaustion of the Military Funds, which have been gradually credited as revenue since 1867-68. Only 31,600*l.* will be thus credited in 1880-81 against 219,800*l.* in 1879-80.

231. *31. Famine Relief.*—Grant (in the *North-Western Provinces*) 5,000*l.* It is hoped that there will now be an intermission of expenditure of this class. FAMINE RELIEF.

Since 1872-73 when this head was first opened, 14,607,000*l.* has been spent on famine relief, to which must be added an estimated net loss of 3,000,000*l.* of revenue.

232. *33 & XXVI. Irrigation and Navigation.*—Net expenditure 216,000*l.* Improvement 86,000*l.*, of which 71,800*l.* is accounted for by the special items of expenditure in 1879-80 described in para. 168. IRRIGATION.

233. *34 & XXVII.—Other Public Works.*—Net expenditure 3,835,000*l.* Increase 169,000*l.*, of which 50,000*l.* is a grant made, at the last moment, for the Madras Harbour Works, as explained in para. 241 and 50,000*l.* was added by the Chief Commissioner to the grant in *British Burmah* upon ascertaining that his financial position would admit of this expenditure. OTHER PUBLIC WORKS.

234. The gross grants for expenditure under this head and 33, *Irrigation and Navigation*, may be thus compared with the Accounts of 1878-79 and the grants for 1879-80 :— REDUCTION OF GRANTS :

1878-79	5,381,284*l.*
1879-80	5,980,000*l.*
1880-81	5,383,000*l.*

Expenditure.

Thus the grants for 1880-81 are less than those for 1879-80, by 597,000*l.* which is thus distributed—

Imperial	368,000
Provincial	96,000
Local	133,000
	597,000*l.*

The grants for the construction of productive Public Works have at the same time been reduced by 1,000,000*l.* Thus the gross reduction of the grants for expenditure on public works effected during the year amounts to 1,597,000*l.*, of which the saving in establishments is estimated to be 247,000*l.*, leaving 1,350,000*l.* saved in works. Against this, however, must be set the special grant of 230,000*l.* under 32, *Railways*, on the Rawálpindí Jhelum section of the Punjab Northern Line, so that the net reduction amounts to only 1,120,000*l.* on works and 247,000*l.* on establishments, total 1,367,000*l.*

BUT NOT IN ORDINARY OUTLAY.

The ordinary expenditure upon public works has, however, been reduced only upon a comparison with the grants for 1879-80, and not upon a comparison with the amounts spent in other years. The expenditure, including establishments, has never actually exceeded the amount granted for expenditure in 1880-81, or, indeed, if the 230,000*l.* spent on the Rawálpindí Jhelum Railway and the large reduction of establishments be taken into account, come up to it.

PROVISIONS FOR RE-EXPANSION OF CAPITAL EXPENDITURE.

235. The Government of India hopes that the construction of productive public works may soon again proceed upon a scale more adequate to the wants of the country than the present restricted scale. The probability of such re-expansion has not been forgotten in the recent reduction of establishments. But the Government of India contemplates a freer recourse hereafter to the construction of works by contract or to the engagement of engineers especially for the completion of particular undertakings only. The Government has no apprehension that it will not be able to proceed with the material improvement of the country as quickly as its financial resources will allow.

ARMY.

236. *36 & XXIX. Army.*—Net expenditure 19,460,000*l.* Decrease 683,000*l.* Apart from the war in Afghánistán, the estimate is for 15,330,000*l.* Decrease 157,000*l.*, which is based upon the expectation that prices will fall. Provision is made here for the operations in Afghánistán as follows:—

Military expenditure proper	1,978,000
Frontier railways	2,040,000
Telegraphs	72,000
Post Office	40,000
TOTAL ...	4,130,000*l.*

Besides 230,000*l.* under *32, Railways.*

WHOLE COST OF THE WAR.

Thus the whole cost of the military operations in Afghánistán are now estimated as follows:—

In 1878-79	676,381
1879-80	4,886,000
1880-81	4,360,000
TOTAL ...	9,922,381*l.*
Of which	
for the Frontier Railways	3,940,000*l.*
for the military operations proper, including telegraphs and post office	5,982,381*l*

The net improved revenues attributed to the war amount to 701,381*l.* as follows:— Expenditure.

1878-79	...	...	..	101,381
1879-80	...	...	...	300,000
1880-81	...	...	...	300,000
				701,381*l.* to the end of 1880-81.

So that the net cost of the war is now estimated at 9,221,000*l.*, or say 9¼ millions, of which about 3¾ millions (net) may be set down for the Railways and 5½ millions (net) for the military operations proper.

All stores bought expressly for the war are included in these estimates, but not the wear and tear of equipments or the expenditure and waste of stores in excess of the normal amounts. It has been found impossible to obtain any estimate of the money equivalent of such expenditure and waste. It occurs not so much in the article of ammunition, of which the expenditure is never large, as in camp equipage, and cannot be ascertained till the campaign is over. Meanwhile the reserve stores in the arsenals are being maintained at their proper standard, the cost of replenishment being, as usual, charged as current expenditure. STORES.

237. *37 & XXX. Exchange.*—Net loss 3,174,000*l.* Increase 310,000*l.*

This year 15,750,000*l.* will be remitted to the Home Treasury. In 1880-81 it is proposed to remit 16,900,000*l.* The gain by exchange transferred from the railways is less than in 1879-80, by reason of the purchase of the East Indian Railway. Owing to the large expenditure from the Home Treasury for stores for the frontier railways, this proposed large remittance will only supply 51,880*l.* more than the current requirements of the Home Treasury. EXCHANGE.

The average rate of exchange for the year is estimated at 1*s.* 8*d.* = Re. 1, as realised in 1879-80. AVERAGE RATE 1*s.* 8*d.*

The rate of exchange fixed by the Secretary of State with the concurrence of the Lords of the Treasury for the adjustment of the public accounts between Great Britain and India during 1880-81 is Re. 1 = 1*s.* 8½*d.*, being 1*d.* higher than last year. ADJUSTING RATE 1*s.* 8½*d.*

238. *38. Productive Public Works* (*Capital Expenditure*). Grant 3,312,000*l.* Decrease 388,000*l.* The grant is thus distributed:—

Irrigation and Navigation	...	...	...	630,000
Madras Harbour (besides 50,000*l.* granted under *34, Other Public Works* (para. 241)			...	70,000
East Indian Railway	...	...	...	630,000
Other State Railways	...	...	...	1,982,000
		Total	...	3,312,000*l.*

This grant is made in strict accordance with the conditions described in para. 178 as follows:—

Fixed grant	...	...	...	2,500,000
Saving in 1879-80 re-granted		...	...	182,000
Capital expenditure on the East Indian Railway			...	630,000
				3,312,000*l.*

239. *Railway Construction.*—Of the 1,462 miles under construction at the end of 1879-80 it is expected that about 988 miles will be opened for traffic in 1880-81. This will complete the communication between Bombay and the North-Western Provinces by Ajmír and Ahmedábád; but the line to Indore from RAILWAY CONSTRUCTION.

Expenditure.

Nasirábád will still remain unfinished, though considerable progress is expected towards its completion.

The frontier line to Pesháwar, with its branch towards Kohát, will be finished, with the exception of the bridge over the Indus at Attock; and the Kandahár Railway will, it is hoped, be open to within 160 miles from Kandahár.

At the end of 1880-81 it is estimated that there will be 9,712 miles of railway open for traffic, and 474 miles under construction.

CANAL CONSTRUCTION.

240. *Construction of Works of Irrigation and Navigation.*—In *Madras* the greater portion of the outlay will be on the Godavery Delta works. The sanctioned portion of the Kistna project, and the Srivaikuntham scheme will be completed. In *Bombay*, all sanctioned works, except the Begári Canal in Sindh, will be completed. In *Bengal*, the sanctioned portion of the Orissa Canals will be completed and some progress is expected on additional distributaries. The Buxar Canal will be practically completed, and a portion of its distributary system. In the *North-Western Provinces*, the greater portion of the work will be on the Lower Ganges Canal and its distributaries. The amount reserved for the old Ganges Canal is as large as can economically be spent on completing the works. A small sum is required for distributaries on the Agra Canal. In the *Punjab*, the weir across the Sutlej at the head of the Sirhind Canal will be completed, and the remaining large masonry works will, it is expected, be nearly finished by the close of the year. The new main line of the Western Jumna Canal will be opened probably next cold season, and by the close of the year the new Delhi Branch will be well advanced, materials being ready for most of the masonry works. The Swát Canal will be pushed on as rapidly as funds and labour supply will admit.

MADRAS HARBOUR WORKS.

241. *Madras Harbour Works.*—It was found impossible to grant more than 70,000*l.* for the Madras Harbour under this head. But, bearing in mind the urgent necessity of completing the work with all possible speed, the Governor General in Council has supplemented this amount by a grant of 50,000*l.* under the ordinary head, *34, Other Public Works.* A similar grant of 19,000*l.* under the same head was made in 1879-80. Interest will be paid upon these amounts in common with the rest of the capital cost of the work. But, as the port is to pay only 4 per cent. interest on the whole cost of the work, whereas the money costs the Government more than 4½ per cent., it is convenient that some portion of its cost should be included in the ordinary expenditure.

MADRAS HARBOUR WORKS, 1880-81.

It is expected that the North Pier of the Harbour will be completed in 1880-81, and that only a small portion of the South Pier will remain. The Harbour enclosure is expected to be finished by about July 1881.

242. *Revenue and Working Expenses, Public Works.*—Net revenue 313,000*l.* Improvement 899,000*l.*, which is explained by the expected improvement under Railways, of which full particulars have been given in paragraph 205.

DEBT INCURRED.

243. *Debt incurred.*—The net debt expected to be incurred during the year is 706,000*l.*; 723,000*l.* is to be raised at home to replace the amount paid off last year (*see paragraph 181*), and a net repayment of 17,000*l.* is estimated in India. Provision is made for the repayment of the first instalment (285,714*l.*) of the Loan of 2,000,000*l.*, from Her Majesty's Government. Including the other debt transactions detailed in paragraph 209, the net amount which it is proposed to borrow is only 341,000*l.*

WAYS AND MEANS.

244. *Ways and Means.*—The ways and means of the year will be thus provided. The net deficit of revenue is 2,895,000*l.*; and the net disbursements other than revenue are estimated at 343,000*l.* Total to be provided 3,238,000*l.*, of which 488,000*l.* (net) will be borrowed and 2,750,000*l.* taken from the balances, which will be reduced to 13,250,000*l.* The equation may be thus shown:—

Balance reduced	...	2,750,000	Deficit of Revenue	...	2,895,000
Borrowed ...	...	488,000	Net disbursements other than Revenue ...	...	343,000
		3,238,000*l.*			3,238,000*l.*

245. Statements are appended showing the Net Revenue and Expenditure of each year since 1868-69 in details of Major Heads. Expenditure.

246. In conclusion the following abstract is presented of the finances of the ten years ending on the 31st March 1881. COMPARISON BETWEEN PRESENT NET EXPENDITURE AND THAT A DECADE AGO.

247. It is now estimated that during these years the following abnormal expenditure will have been incurred:— FINANCES OF TEN YEARS.

Productive Public Works	35,881,000
Famine Relief	14,607,000
War in Afghánistán	9,221,000
and that the loss of revenue from famine amounts to ...	3,000,000
Total ...	62,709,000*l.*

248. Nevertheless, the revenues of this period, not including the credits from the extinct Military Funds, have fallen short of the whole expenditure of every kind by only 36,848,000*l.*, so that, apart from famine, the revenues have exceeded the ordinary expenditure by 25,861,000*l.* The doubtful portion of the expenditure classified during this period as productive amounts to 11,076,000*l.*, as follows:—

Indus Valley Railway	6,218,000
Punjab Northern Railway	3,113,000
Orissa Canals	931,000
Midnapur Canal	327,000
Western Jumna	487,000
	11,076,000*l.*

If the whole of this amount were treated as ordinary expenditure, there would remain a surplus of 14,785,000*l.*, or an average of 1,478,500*l.* a year.

249. The deficit of 36,848,000*l.* has been met as follows:—

The balances have been reduced by	6,874,700
The net amount borrowed, including the 2,000,000*l.* lent by England without interest, is	27,247,000
and the remainder was provided by miscellaneous deposits ...	2,726,300
	36,848,000*l.*

ORDERED, that this Resolution be communicated confidentially for information, together with the Financial Statement,

To the several Departments of the Government of India.

To the several Local Governments and Administrations.

To the Comptroller General and to the several Accountants General and Deputy Accountants General in independent charge.

This Resolution, which constitutes Part II of the Financial Statement, should not be made public.

R. B. CHAPMAN,

Secretary to the Government of India.

STATEMENTS.

I.

REVENUE AND EXPENDITURE OF THE GOVERNMENT

Estimates,

REVENUES.	Accounts, 1878-79.	Budget Estimates, 1879-80.	Regular Estimates, 1879-80.	Increase.	Decrease.	Budget Estimates, 1880-81.	Budget Estimates, 1880-81, compared with Regular Estimates, 1879-80.	
							Increase.	Decrease.
CIVIL.	£	£	£	£	£	£	£	£
I.—Land Revenue ...	22,450,803	21,939,000	22,389,000	450,000	...	22,062,000	...	327,000
II.—Tributes ...	703,660	703,000	714,000	11,000	...	698,000	...	16,000
III.—Forest	605,433	672,000	662,000	...	10,000	690,000	28,000	...
IV.—Excise ...	2,619,349	2,742,000	2,765,000	23,000	...	2,782,000	17,000	...
V.—Assessed Taxes ...	900,920	896,000	797,000	...	99,000	535,000	...	262,000
VI.—Provincial Rates ...	2,638,835	2,740,000	2,706,000	...	34,000	2,764,000	58,000	...
VII.—Customs	2,326,561	2,248,000	2,231,000	...	17,000	2,175,000	...	56,000
VIII.—Salt	6,941,120	7,000,000	7,335,000	335,000	...	7,541,000	206,000	...
IX.—Opium	9,399,401	9,000,000	10,459,000	1,459,000	...	9,410,000	...	1,049,000
X.—Stamps	3,110,540	3,087,000	3,203,000	116,000	...	3,194,000	...	9,000
XI.—Registration ...	266,360	267,000	262,000	...	5,000	265,000	3,000	...
XII.—Mint	172,335	180,000	254,000	74,000	...	196,000	...	58,000
XIII.—Post Office ...	911,806	983,000	968,000	...	15,000	1,008,000	40,000	...
XIV.—Telegraph ...	426,694	380,000	486,000	106,000	...	486,000	...	...
XV.—Minor Departments ...	84,968	58,000	98,000	40,000	...	81,000	...	17,000
XVI.—Law and Justice ...	647,130	649,000	663,000	14,000	...	680,000	17,000	...
XVII.—Police ...	211,108	233,000	221,000	...	12,000	232,000	11,000	...
XVIII.—Marine	250,595	206,000	206,000	...	...	226,000	20,000	...
XIX.—Education	147,425	139,000	137,000	...	2,000	137,000	...	...
XX.—Medical	44,332	39,000	54,000	15,000	...	40,000	...	14,000
XXI.—Stationery and Printing	47,096	46,000	52,000	6,000	...	45,000	...	7,000
XXII.—Interest	628,367	634,000	709,000	75,000	...	651,000	...	58,000
XXIII.—Superannuations ...	675,258	526,000	529,000	3,000	...	386,000	...	143,000
XXIV.—Miscellaneous ...	348,554	310,000	324,000	14,000	...	268,000	...	56,000
XXV.—Railways	6,178,134	6,454,000	6,701,000	247,000	...	7,545,000	844,000	...
XXVI.—Irrigatn. & Navigatn.	790,775	788,000	871,000	83,000	...	861,000	...	10,000
XXVII.—Other Public Works ...	571,076	477,000	480,000	3,000	...	471,000	...	9,000
XXVIII.—Provl. & Local Deficits	973	208,000	59,000	...	149,000	247,000	188,000	...
XXIX.—Army	974,773	880,000	924,000	44,000	...	833,000	...	91,000
XXX.—Gain by Exchange ...	133,313	78,000	324,000	246,000	...	237,000	...	87,000
GRAND TOTAL ...	65,207,694	64,562,000	67,583,000	3,021,000	...	66,746,000	...	837,000
Deficit	...	1,395,000	...	...	...	...	...	...

Fort William;
DEPT. OF FINANCE AND COMMERCE,
The 24th February 1880.

E. W. KELLNER,
Deputy Comptroller General.

OF INDIA IN INDIA AND IN ENGLAND.

1880-81.

EXPENDITURE.	Accounts, 1878-79.	Budget Estimates, 1879-80.	Regular Estimates, 1879-80.	Increase.	Decrease.	Budget Estimates, 1880-81.	Budget Estimates, 1880-81, compared with Regular Estimates, 1879-80.	
							Increase.	Decrease.
CIVIL.	£	£	£	£	£	£	£	£
1.—Interest on Debt ...	5,982,893	6,353,000	6,039,000	...	314,000	5,739,000	...	300,000
2.—Interest, other Accounts	378,703	386,000	382,000	...	4,000	400,000	18,000	...
3.—Refunds and Drawbacks ...	406,562	356,000	350,000	...	6,000	318,000	...	32,000
4.—Land Revenue ...	2,960,010	3,028,000	2,945,000	...	83,000	2,995,000	50,000	...
5.—Forest ...	454,934	510,000	521,000	11,000	...	532,000	11,000	...
6.—Excise ...	87,839	118,000	110,000	...	8,000	111,000	1,000	...
7.—Assessed Taxes ...	37,617	29,000	35,000	6,000	...	20,000	...	15,000
8.—Provincial Rates ...	64,431	53,000	50,000	...	3,000	53,000	3,000	...
9.—Customs ...	200,417	203,000	201,000	...	2,000	204,000	3,000	...
10.—Salt ...	404,743	383,000	356,000	...	27,000	368,000	12,000	...
11.—Opium ...	1,698,730	2,500,000	2,059,000	...	441,000	2,160,000	101,000	...
12.—Stamps ...	115,452	111,000	113,000	2,000	...	105,000	...	8,000
13.—Registration ...	160,801	155,000	162,000	7,000	...	166,000	4,000	...
14.—Mint ...	103,991	113,000	104,000	...	9,000	111,000	7,000	...
15.—Post Office ...	1,033,327	1,083,000	1,131,000	48,000	...	1,142,000	11,000	...
16.—Telegraph ...	470,790	531,000	492,000	...	39,000	467,000	...	25,000
17.—Administration ...	1,487,665	1,498,000	1,485,000	...	13,000	1,466,000	...	19,000
18.—Minor Departments ...	355,325	375,000	367,000	...	8,000	437,000	70,000	...
19.—Law and Justice ...	3,297,063	3,236,000	3,292,000	56,000	...	3,353,000	61,000	...
20.—Police ...	2,419,119	2,472,000	2,485,000	13,000	...	2,513,000	28,000	...
21.—Marine ...	548,703	546,000	558,000	12,000	...	568,000	10,000	...
22.—Education ...	978,254	1,025,000	972,000	...	53,000	1,016,000	44,000	...
23.—Ecclesiastical ...	155,200	161,000	156,000	...	5,000	159,000	3,000	...
24.—Medical ...	669,059	679,000	673,000	...	6,000	709,000	36,000	...
25.—Stationery and Printing	471,470	536,000	443,000	...	93,000	482,000	39,000	...
26.—Political ...	448,793	426,000	471,000	45,000	...	436,000	...	35,000
27.—Allowces. & Assignments...	1 826,484	1,909,000	1,900,000	...	9,000	1,846,000	...	54,000
28.—Civil Furlough Allces. ...	231,561	232,000	220,000	...	12,000	233,000	13,000	...
29.—Superannuations ...	1,995,520	1,923,000	2,094,000	171,000	...	1,982,000	...	112,000
30.—Miscellaneous ...	293,368	277,000	314,000	37,000	...	264,000	...	50,000
31.—Famine Relief ...	313,420	10,000	99,000	89,000	...	5,000	...	94,000
32.—Railways ...	6,561,827	6,536,000	6,987,000	451,000	...	6,751,000	...	236,000
33.—Irrigation & Navigation...	1,063,037	1,085,000	1,173,000	88,000	...	1,077,000	...	96,000
34.—Other Public Works ...	4,318,247	4,895,000	4,146,000	...	749,000	4,306,000	160,000	...
35.—Provl. & Local Surpluses	716,378	17,000	324,000	307,000	...	131,000	...	193,000
36.—Army ...	17,092,426	18,255,000	21,067,000	2,812,000	...	20,293,000	...	774,000
37.—Loss by Exchange ...	3,359,144	3,952,000	3,188,000	...	764,000	3,411,000	223,000	...
TOTAL ORDINARY ...	63,163,303	65,957,000	67,464,000	1,507,000	...	66,329,000	...	1,135,000
Surplus	2,044,391	...	119,000	1,514,000	...	417,000	298,000	...
38.—Productive Public Works	4,381,898	3,500,000	3,700,000	200,000	...	3,312,000	...	388,000

W. WATERFIELD,
Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

II.

REVENUE AND EXPENDITURE OF THE GOVERNMENT

(Distinguishing Revenue and Charges

Estimates,

REVENUE.	Accounts, 1878-79.	Budget Estimates, 1879-80.	Regular Estimates, 1879-80.	Increase.	Decrease.	Budget Estimates, 1880-81.	Budget Estimates, 1880-81, compared with Regular Estimates, 1879-80.	
							Increase.	Decrease.
CIVIL.	£	£	£	£	£	£	£	£
I.—Land Revenue ...	22,323,869	21,778,000	21,679,000	...	99,000	21,359,000	...	320,000
II.—Tributes	703,660	703,000	714,000	11,000	...	698,000	...	16,000
III.—Forest	605,433	672,000	662,000	...	10,000	690,000	28,000	...
IV.—Excise	2,619,349	2,742,000	2,765,000	23,000	...	2,782,000	17,000	...
V.—Assessed Taxes ...	900,920	896,000	797,000	...	99,000	535,000	...	262,000
VI.—Provincial Rates ...	2,638,835	2,740,000	2,706,000	...	34,000	2,764,000	58,000	...
VII.—Customs	2,326,561	2,248,000	2,231,000	...	17,000	2,175,000	...	56,000
VIII.—Salt	6,941,120	7,000,000	7,335,000	335,000	...	7,541,000	206,000	...
IX.—Opium	9,399,401	9,000,000	10,459,000	1,459,000	...	9,410,000	...	1,049,000
X.—Stamps	3,110,540	3,087,000	3,203,000	116,000	...	3,194,000	...	9,000
XI.—Registration ...	266,360	267,000	262,000	...	5,000	265,000	3,000	...
XII.—Mint	172,335	180,000	254,000	74,000	...	196,000	...	58,000
XIII.—Post Office ...	911,806	983,000	968,000	...	15,000	1,008,000	40,000	...
XIV.—Telegraph ...	426,694	380,000	486,000	106,000	...	486,000	...	...
XV.—Minor Departments...	84,968	58,000	98,000	40,000	...	81,000	...	17,000
XVI.—Law and Justice ...	647,130	649,000	663,000	14,000	...	680,000	17,000	...
XVII.—Police	211,108	233,000	221,000	...	12,000	232,000	11,000	...
XVIII.—Marine	250,595	206,000	206,000	...	...	226,000	20,000	...
XIX.—Education ...	147,425	139,000	137,000	...	2,000	137,000	...	...
XX.—Medical ...	44,332	39,000	54,000	15,000	...	40,000	...	14,000
XXI.—Stationery & Printing	47,096	46,000	52,000	6,000	...	45,000	...	7,000
XXII.—Interest	628,367	634,000	709,000	75,000	...	651,000	...	58,000
XXIII.—Superannuations ...	675,258	526,000	529,000	3,000	...	386,000	...	143,000
XXIV.—Miscellaneous ...	348,554	310,000	324,000	14,000	...	268,000	...	56,000
XXV.—Railways ...	10,822	10,000	...	...	10,000	...	...	...
XXVI.—Irrigation & Navign.	168,619	184,000	192,000	8,000	...	181,000	...	11,000
XXVII.—Other Public Works	571,076	477,000	480,000	3,000	...	471,000	...	9,000
XXVIII.—Provl. & Local Deficits	973	208,000	59,000	...	149,000	247,000	188,000	...
XXIX.—Army	974,773	880,000	924,000	44,000	...	833,000	...	91,000
XXX.—Gain by Exchange ...	133,313	78,000	324,000	246,000	...	237,000	...	87,000
TOTAL ...	58,291,292	57,353,000	59,493,000	2,140,000	...	57,818,000	...	1,675,000
Revenue from Productive Public Works.								
I.—Land Revenue ...	126,934	161,000	710,000	549,000	...	703,000	...	7,000
XXV.—Railways	6,167,312	6,444,000	6,701,000	257,000	...	7,545,000	844,000	...
XXVI.—Irrign. and Navigation	622,156	604,000	679,000	75,000	...	680,000	1,000	...
Total ...	6,916,402	7,209,000	8,090,000	881,000	...	8,928,000	838,000	...
GRAND TOTAL REVENUE ...	65,207,694	64,562,000	67,583,000	3,021,000	...	66,746,000	...	837,000
Deficit	...	1,395,000	...	...	...	...	...	...

Fort William;
DEPT. OF FINANCE AND COMMERCE,
The 24th February 1880.

E. W. KELLNER,
Deputy Comptroller General.

OF INDIA IN INDIA AND IN ENGLAND.

of Productive Public Works.)

1880-81.

EXPENDITURE.	Accounts, 1878-79.	Budget Estimates, 1879-80.	Regular Estimates, 1879-80.	Increase.	Decrease	Budget Estimates, 1880-81.	Budget Estimates, 1880-81, compared with Regular Estimates, 1879-80.	
							Increase.	Decrease.
CIVIL.	£	£	£	£	£	£	£	£
1.—Interest on Debt ...	4,575,069	4,758,000	4,452,000	...	306,000	4,014,000	...	438,000
2.—Interest, other Accounts...	378,703	386,000	382,000	...	4,000	400,000	18,000	...
3.—Refunds and Drawbacks...	406,562	356,000	350,000	...	6,000	318,000	...	32,000
4.—Land Revenue ...	2,960,010	3,028,000	2,945,000	...	83,000	2,995,000	50,000	...
5.—Forest	454,934	510,000	521,000	11,000	...	532,000	11,000	...
6.—Excise	87,839	118,000	110,000	...	8,000	111,000	1,000	...
7.—Assessed Taxes ...	37,617	29,000	35,000	6,000	...	20,000	...	15,000
8.—Provincial Rates ...	64,431	53,000	50,000	...	3,000	53,000	3,000	...
9.—Customs	200,417	203,000	201,000	...	2,000	204,000	3,000	...
10.—Salt	404,743	383,000	356,000	...	27,000	368,000	12,000	...
11.—Opium	1,698,730	2,500,000	2,059,000	...	441,000	2,160,000	101,000	...
12.—Stamps	115,452	111,000	113,000	2,000	...	105,000	...	8,000
13.—Registration	160,801	155,000	162,000	7,000	...	166,000	4,000	...
14.—Mint	103,991	113,000	104,000	...	9,000	111,000	7,000	...
15.—Post Office	1,033,327	1,083,000	1,131,000	48,000	...	1,142,000	11,000	...
16.—Telegraph	470,790	531,000	492,000	...	39,000	467,000	...	25,000
17.—Administration ...	1,487,665	1,498,000	1,485,000	...	13,000	1,466,000	...	19,000
18.—Minor Departments ...	355,325	375,000	367,000	...	8,000	437,000	70,000	...
19.—Law and Justice ...	3,297,063	3,236,000	3,292,000	56,000	...	3,353,000	61,000	...
20.—Police	2,419,119	2,472,000	2,485,000	13,000	...	2,513,000	28,000	...
21.—Marine	548,703	546,000	558,000	12,000	...	568,000	10,000	...
22.—Education	978,254	1,025,000	972,000	...	53,000	1,016,000	44,000	...
23.—Ecclesiastical ...	155,200	161,000	156,000	...	5,000	159,000	3,000	...
24.—Medical	669,959	679,000	673,000	...	6,000	709,000	36,000	...
25.—Stationery & Printing ...	471,470	536,000	443,000	...	93,000	482,000	39,000	...
26.—Political	448,793	426,000	471,000	45,000	...	436,000	...	35,000
27.—Allowces. & Assignments	1,826,484	1,909,000	1,900,000	...	9,000	1,846,000	...	54,000
28.—Civil Furlough Allowces.	231,561	232,000	220,000	...	12,000	233,000	13,000	...
29.—Superannuations ...	1,995,520	1,923,000	2,094,000	171,000	...	1,982,000	...	112,000
30.—Miscellaneous ...	293,368	277,000	314,000	37,000	...	264,000	...	50,000
31.—Famine Relief ...	313,420	10,000	99,000	89,000	...	5,000	...	94,000
32.—Railways	226,846	94,000	360,000	266,000	...	304,000	...	56,000
33.—Irrigation & Navigation ...	630,919	644,000	711,000	67,000	...	634,000	...	77,000
34.—Other Public Works ...	4,318,247	4,895,000	4,146,000	...	749,000	4,306,000	160,000	...
35.—Provl. & Local Surpluses	716,378	17,000	324,000	307,000	...	131,000	...	193,000
36.—Army	17,092,426	18,255,000	21,067,000	2,812,000	...	20,293,000	...	774,000
37.—Loss by Exchange ...	3,359,144	3,952,000	3,188,000	...	764,000	3,411,000	223,000	...
EXPENDITURE ORDINARY ...	54,988,380	57,479,000	58,788,000	1,309,000	...	57,714,000	...	1,074,000
Expenditure on Productive Public Works (Working Expenses and Interest).								
1.—Interest on Debt ...	1,407,824	1,595,000	1,587,000	...	8,000	1,725,000	138,000	...
32.—Railways	6,334,981	6,442,000	6,627,000	185,000	...	6,447,000	...	180,000
33.—Irrigation and Navigation	432,118	441,000	462,000	21,000	...	443,000	...	19,000
Total ...	8,174,923	8,478,000	8,676,000	198,000	...	8,615,000	...	61,000
GRAND TOTAL ...	63,163,303	65,957,000	67,464,000	1,507,000	...	66,329,000	...	1,135,000
Surplus	2,044,391	...	119,000	1,514,000	...	417,000	298,000	...
38.—Productive Public Works	4,331,898	3,500,000	3,700,000	200,000	...	3,312,000	...	388,000

W. WATERFIELD,
Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

III

REVENUE AND EXPENDITURE OF THE GOVERNMENT OF INDIA IN INDIA AN

REVENUE.	Regular Estimates, 1879-80.				Budget Estimates, 1880-81.			
	Imperial.	Provincial.	Local.	Total.	Imperial.	Provincial.	Local.	Total.
	£	£	£	£	£	£	£	£
Opening Balance	...	1,323,500	1,092,700	2,416,200	...	1,331,800	1,336,700	2,668,500
I.—Land Revenue	21,236,200	1,027,300	125,500	22,389,000	20,911,300	1,025,800	124,900	22,062,000
II.—Tributes	714,000	...	...	714,000	698,000	...	...	698,000
III.—Forest	619,700	18,300	24,000	662,000	650,300	16,800	22,900	690,000
IV.—Excise	644,400	2,119,400	1,200	2,765,000	661,500	2,119,400	1,100	2,782,000
V.—Assessed Taxes	600,300	196,700	...	797,000	351,700	183,300	...	535,000
VI.—Provincial Rates	148,200	376,200	2,181,600	2,706,000	169,600	404,600	2,189,800	2,764,000
VII.—Customs	2,016,500	214,500	...	2,231,000	1,962,000	213,000	...	2,175,000
VIII.—Salt	7,318,800	16,200	...	7,335,000	7,522,500	18,500	...	7,541,000
IX.—Opium	10,459,000	...	...	10,459,000	9,410,000	...	...	9,410,000
X.—Stamps	566,800	2,636,200	...	3,203,000	566,800	2,627,200	...	3,194,000
XI.—Registration	600	261,400	...	262,000	900	264,100	...	265,000
XII.—Mint	254,000	...	...	254,000	196,000	...	...	196,000
XIII.—Post Office	965,300	2,300	400	968,000	1,005,500	2,100	400	1,008,000
XIV.—Telegraph	486,000	...	...	486,000	486,000	...	...	486,000
XV.—Minor Departments	51,300	31,000	15,700	98,000	30,300	35,700	15,000	81,000
XVI.—Law and Justice	77,300	577,400	8,300	663,000	77,100	594,800	8,100	680,000
XVII.—Police	100	181,600	39,300	221,000	100	192,900	39,000	232,000
XVIII.—Marine	78,300	127,700	...	206,000	90,800	135,200	...	226,000
XIX.—Education	1,000	110,800	25,200	137,000	1,500	110,300	25,200	137,000
XX.—Medical	2,200	49,500	2,300	54,000	1,900	35,200	2,900	40,000
XXI.—Stationery and Printing ...	13,000	39,000	...	52,000	11,200	33,800	...	45,000
XXII.—Interest	687,900	13,400	7,700	709,000	628,900	15,500	6,600	651,000
XXIII.—Pensions	511,400	12,600	5,000	529,000	368,400	12,600	5,000	386,000
XXIV.—Miscellaneous	67,900	144,100	112,000	324,000	49,900	131,000	87,100	268,000
XXV.—Railways	6,348,500	352,500	....	6,701,000	7,115,000	430,000	...	7,545,000
XXVI.—Irrigation and Navigation ...	322,500	547,600	900	871,000	306,400	553,700	900	861,000
XXVII.—Other Public Works ...	70,400	311,400	98,200	480,000	69,300	300,500	101,200	471,000
XXVIII.—Provl. and Local Deficits ...	59,000	...	...	59,000	247,000	...	...	247,000
XXIX.—Army	924,000	...	...	924,000	833,000	...	...	833,000
XXX.—Gain by Exchange	320,100	3,900	...	324,000	234,400	2,600	...	237,000
	55,564,700	9,371,000	2,647,300	67,583,000	54,657,300	9,458,600	2,630,100	66,746,000
Allotments	...	*4,497,100*	...	...	...	*4,426,700*	...	...
Contributions	*400*	*52,700*	*93,000*	...	*400*	*37,700*	*115,700*	...
Debt	...	...	*6,400*	...	...	...	*100*	...
Total ...	...	13,920,800	2,748,700	...	...	13,923,000	2,745,900	...
GRAND TOTAL ...	...	15,244,300	3,841,400	...	...	15,254,800	4,082,600	...
Provincial and Local Deficit ...	...	...	...	...	...	160,300	...	...

Fort William;
Dept. of Finance and Commerce,
The 24th February 1880.

E. W. KELLNER,
Deputy Comptroller General.

IN ENGLAND IN THE THREE DIVISIONS, IMPERIAL, PROVINCIAL AND LOCAL.

EXPENDITURE:	Regular Estimates, 1879-80.				Budget Estimates, 1880-81.			
	Imperial.	Provincial.	Local.	Total.	Imperial.	Provincial.	Local.	Total.
	£	£	£	£	£	£	£	£
1.—Interest	5,352,200	686,800	...	6,039,000	5,010,100	728,900	...	5,739,000
2.—Interest	378,700	500	2,800	382,000	396,600	600	2,800	400,000
3.—Refunds and Drawbacks ...	193,200	150,900	5,900	350,000	190,700	121,200	6,100	318,000
4.—Land Revenue	872,000	1,586,900	486,100	2,945,000	862,600	1,628,400	504,000	2,995,000
5.—Forest	488,200	15,300	17,500	521,000	498,300	13,200	20,500	532,000
6.—Excise	21,900	87,400	700	110,000	22,700	87,400	900	111,000
7.—Assessed Taxes	8,100	26,900	...	35,000	5,000	15,000	...	20,000
8.—Provincial Rates	...	4,400	45,600	50,000	...	5,100	47,900	53,000
9.—Customs	23,000	178,000	...	201,000	22,600	181,400	...	204,000
10.—Salt	300,700	55,300	...	356,000	302,700	65,300	...	368,000
11.—Opium	2,059,000	...	...	2,059,000	2,160,000	...	...	2,160,000
12.—Stamps	51,600	61,400	...	113,000	42,800	62,200	...	105,000
13.—Registration	600	161,400	...	162,000	800	165,200	...	166,000
14.—Mint	104,000	...	...	104,000	111,000	...	...	111,000
15.—Post Office	1,044,000	31,600	55,400	1,131,000	1,050,800	31,600	59,600	1,142,000
16.—Telegraph	492,000	...	...	492,000	467,000	...	...	467,000
17.—Administration	911,700	563,100	10,200	1,485,000	881,200	572,800	12,000	1,466,000
18.—Minor Departments	250,400	83,000	33,600	367,000	312,700	90,200	34,100	437,000
19.—Law and Justice	583,400	2,708,500	100	3,292,000	583,700	2,769,200	100	3,353,000
20.—Police	61,400	2,174,700	248,900	2,485,000	72,800	2,166,600	273,600	2,513,000
21.—Marine	423,700	134,300	...	558,000	409,200	158,800	...	568,000
22.—Education	11,400	701,300	259,300	972,000	11,300	720,100	284,600	1,016,000
23.—Ecclesiastical	115,700	40,300	...	156,000	119,400	39,600	...	159,000
24.—Medical	166,500	421,500	85,000	673,000	171,800	435,300	101,900	709,000
25.—Stationery and Printing ...	86,700	355,100	1,200	443,000	122,600	358,100	1,300	482,000
26.—Political	470,500	400	100	471,000	435,500	400	100	436,000
27.—Allowances	1,237,100	662,900	...	1,900,000	1,193,400	652,600	...	1,846,000
28.—C. F. & A. Allowances	219,500	500	...	220,000	232,500	500	...	233,000
29.—Superannuation	1,944,500	148,800	700	2,094,000	1,835,700	146,000	300	1,982,000
30.—Miscellaneous	104,600	134,400	75,000	314,000	71,000	112,800	80,200	264,000
31.—Famine Relief	98,900	100	...	99,000	5,000	...	...	5,000
32.—Railways	6,694,500	292,500	...	6,987,000	6,465,100	285,900	...	6,751,000
33.—Irrigation and Navigation ...	761,100	407,500	4,400	1,173,000	645,800	421,200	10,000	1,077,000
34.—Other Public Works	1,478,900	1,573,200	1,093,900	4,146,000	1,475,800	1,613,000	1,217,200	4,306,000
35.—P. & L. Surpluses	324,000	...	...	324,000	131,000	...	...	131,000
36.—Army	21,067,000	...	...	21,067,000	20,293,000	...	...	20,293,000
37.—Loss by Exchange	3,188,000	...	...	3,188,000	3,411,000	...	...	3,411,000
	51,588,700	13,448,900	2,426,400	67,464,000	50,023,200	13,648,600	2,657,200	66,329,000
Special Contributions to Imperial Treasury	...	*335,000*	...	...	...	*335,000*	...	...
Contributions	...	*128,600*	*59,400*	...	...	*99,700*	*44,100*	...
Debt	...	...	*18,900*	...	...	...	*31,100*	...
Total ...	...	13,912,500	2,504,700	...	...	14,083,300	2,732,400	...
Closing Balance	...	1,331,800	1,336,700	2,668,500	...	1,171,500	1,350,200	2,521,700
GRAND TOTAL ...	...	15,244,300	3,841,400	...	...	15,254,800	4,082,600	...
Provincial and Local Surplus ...	...	8,300	256,500	...	...	...	44,500	...

W. WATERFIELD,
Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

IV.

RECEIPTS AND DISBURSEMENTS AT THE TREASURIES OF

RECEIPTS.	Accounts, 1878-79.	Budget Estimates, 1879-80.	Regular Estimates, 1879-80.	Increase.	Decrease.	Budget Estimates, 1880-81.	Budget Estimates, 1880-81, compared with Regular Estimates, 1879-80. Increase.	Decrease.
	£	£	£	£	£	£	£	£
I.—Balance ...	15,574,959	14,200,000	13,910,078	...	289,922	16,000,000	2,089,922	...
II.—Imperial revenue ...	65,207,694	64,562,000	67,583,000	3,021,000	...	66,746,000	...	837,000
III.—Provincial and local surplus ...	716,378	17,000	324,000	307,000	...	131,000	...	193,000
IV.—Service funds, civil ...	616,401	603,000	591,000	...	12,000	603,000	12,000	...
V.—Service funds, military	...	...	...	...	...	...	...	...
VI.—Loans to native states, corporations and individuals repaid ...	228,361	216,000	1,078,000	862,000	...	213,000	...	865,000
VII.—Savings banks' deposits	677,946	730,000	765,000	35,000	...	793,000	28,000	...
VIII.—Other deposits received & advances recovered	16,853,867	12,433,000	12,701,000	268,000	...	12,606,000	...	95,000
IX.—Local remittances ...	167,330	456,000	178,000	...	278,000	86,000	...	92,000
X.—Inter-provincial and inter-departmental transactions ...	17,967,362	25,000,000	25,663,000	663,000	...	26,019,000	356,000	...
XI.—Remittance account with the Home Treasury ...	1,891,108	1,196,000	1,486,000	290,000	...	1,183,000	...	303,000
XII.—Secretary of state's bills on India sold*	15,464,758	15,000,000	15,750,000	750,000	...	16,900,000	1,150,000	...
XIII.—Political and trust funds ...	267,380	384,000	74,000	...	310,000	83,000	9,000	...
XIV.—Public debt incurred*	8,070,758	8,009,500	13,138,000	5,128,500	...	2,833,000	...	10,305,000
XV.—Treasury notes ...	262,636	218,000	195,000	...	23,000	308,000	113,000	...
XVI.—Guaranteed railway capital received ...	3,184,677	3,073,000	2,842,000	...	231,000	1,709,000	...	1,133,000
TOTAL ...	147,151,615	146,097,500	156,278,078	10,180,578	...	146,213,000	...	10,065,078

* The Estimates in this Statement of the amounts to be borrowed and to be supplied to the Home Treasury by Bills in 1880-81 are the that the Secretary of State will raise by Bills the exact amount stated

Abstract of the above showing how the

ACCOUNTS, 1878-79.				REGULAR ESTI	
	£		£		£
Surplus of provincial and local revenue ...	715,405	Deficit of imperial revenue	2,337,507	Surplus of provincial and local revenue ...	265,000
Service funds, civil ...	96,375	Service funds, military ...	349,940	Service funds, civil ...	170,000
Political and trust funds	6,924	Loans to native states, corporations and individuals	1,048,705	Savings banks' deposits ...	117,000
Public debt incurred ...	4,199,268	Savings banks' deposits withdrawn	12,934	Deposits ...	264,000
Treasury notes ...	122,750	Deposits repaid ...	1,630,876	Public debt incurred ...	5,131,000
Balance reduced ...	1,664,881	Secretary of state's bills discharged ...	1,271,110	Treasury notes ...	156,000
		Guaranteed railway capital withdrawn ...	154,531	Guaranteed railway capital received ...	182,000
TOTAL ...	6,305,603	TOTAL ...	6,805,603	TOTAL ...	6,285,000

Fort William;
Dept. of Finance and Commerce,
The 24th February 1880.

E. W. KELLNER
Deputy Comptroller General.

THE GOVERNMENT OF INDIA IN INDIA AND IN ENGLAND.

DISBURSEMENTS.	ACCOUNTS, 1878-79.	BUDGET ESTIMATES, 1879-80.	REGULAR ESTIMATES, 1879-80.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1880-81.	BUDGET ESTIMATES, 1880-81 COMPARED WITH REGULAR ESTIMATES, 1879-80.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
1.—IMPERIAL EXPENDITURE ...	67,545,201	69,457,000	71,164,000	1,707,000	...	69,641,000	...	1,523,000
2.—PROVINCIAL AND LOCAL DEFICITS	973	208,000	59,000	...	149,000	247,000	188,000	...
3.—SERVICE FUNDS, CIVIL ...	520,026	453,000	421,000	...	32,000	451,000	30,000	...
4.—SERVICE FUNDS, MILITARY ...	349,940	214,000	220,000	6,000	...	32,000	...	188,000
5.—LOANS ADVANCED TO NATIVE STATES, CORPORATIONS AND INDIVIDUALS ...	1,277,066	416,000	1,251,000	835,000	...	232,000	...	1,019,000
6.—SAVINGS BANKS' DEPOSITS WITHDRAWN ...	690,880	700,000	648,000	...	52,000	669,000	21,000	...
7.—OTHER DEPOSITS REPAID AND ADVANCES MADE ...	18,484,743	12,247,000	12,437,000	190,000	...	12,170,000	...	267,000
8.—LOCAL REMITTANCES ...	42,079	837,000	...	...	837,000	...	...	...
9.—INTER-PROVINCIAL AND INTER-DEPARTMENTAL TRANSACTIONS ...	19,566,018	24,525,000	25,539,078	1,014,078	...	26,667,000	1,127,922	...
10.—REMITTANCE ACCOUNT WITH THE HOME TREASURY ...	1,688,813	1,290,000	1,949,000	659,000	...	1,252,000	...	697,000
11.—SECRETARY OF STATE'S BILLS ON INDIA PAID ...	15,464,758	15,000,000	15,750,000	750,000	...	16,900,000	1,150,000	...
12.—POLITICAL AND TRUST FUNDS	260,456	368,000	134,000	...	234,000	151,000	17,000	...
13.—PUBLIC DEBT DISCHARGED ...	3,871,490	3,683,000	8,007,000	4,324,000	...	2,127,000	...	5,880,000
14.—TREASURY NOTES ...	139,886	126,500	39,000	...	87,500	33,000	...	6,000
15.—GUARANTEED RAILWAY CAPITAL WITHDRAWN ...	3,339,208	3,073,000	2,660,000	...	413,000	2,391,000	...	269,000
16.—BALANCE ...	13,910,078	13,500,000	16,000,000	2,500,000	...	13,250,000	...	2,750,000
TOTAL ...	147,151,615	146,097,500	156,278,078	10,180,578	...	146,213,000	...	10,065,078

est that can now be made; but they are subject to modification as the year goes on; the Government must not be understood to pledge itself r that the exact amount stated will be borrowed during the year.

Ways and Means are provided.

[ATES, 1879-80.		BUDGET ESTIMATES, 1880-81.			
	£		£		£
DEFICIT OF IMPERIAL REVENUE ...	3,581,000	SERVICE FUNDS, CIVIL ...	152,000	DEFICIT OF IMPERIAL REVENUE	2,895,000
SERVICE FUNDS, MILITARY ...	220,000	SAVINGS BANKS' DEPOSITS ...	124,000	DEFICIT OF PROVINCIAL AND LOCAL REVENUE ...	116,000
LOANS TO NATIVE STATES, CORPORATIONS AND INDIVIDUALS	173,000	DEPOSITS ...	436,000	SERVICE FUNDS, MILITARY ...	32,000
POLITICAL AND TRUST FUNDS	60,000	PUBLIC DEBT INCURRED ...	706,000	LOANS TO NATIVE STATES, CORPORATIONS AND INDIVIDUALS	19,000
REMITTANCES ...	161,078	TREASURY NOTES ...	275,000	REMITTANCES ...	631,000
BALANCE INCREASED ...	2,089,922	BALANCE REDUCED ...	2,750,000	POLITICAL AND TRUST FUNDS	68,000
				GUARANTEED RAILWAY CAPITAL WITHDRAWN ...	682,000
TOTAL ...	6,285,000	TOTAL ...	4,443,000	TOTAL ...	4,443,000

W. WATERFIELD,
Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

V.

REVENUE AND EXPENDITURE OF THE

Estimates,

REVENUE.	Accounts, 1878-79.	Budget Estimates, 1879-80.	Regular Estimates, 1879-80.	Increase.	Decrease.	Budget Estimates, 1880-81.	Budget Estimates, 1880-81, compared with Regular Estimates, 1879-80. Increase.	Decrease.
CIVIL.	£	£	£	£	£	£	£	£
I.—Land Revenue ...	22,323,869	21,778,000	21,679,000	...	99,000	21,359,000	...	320,000
II.—Tributes	703,660	703,000	714,000	11,000	...	698,000	...	16,000
III.—Forest	603,939	670,400	669,600	...	9,800	688,400	27,800	...
IV.—Excise	2,619,349	2,742,000	2,765,000	23,000	...	2,782,000	17,000	...
V.—Assessed Taxes ...	900,920	896,000	797,000	...	99,000	535,000	...	262,000
VI.—Provincial Rates ...	2,638,835	2,740,000	2,706,000	...	34,000	2,764,000	58,000	...
VII.—Customs	2,326,561	2,248,000	2,231,000	...	17,000	2,175,000	...	56,000
VIII.—Salt	6,941,120	7,000,000	7,335,000	335,000	...	7,541,000	206,000	...
IX.—Opium	9,399,401	9,000,000	10,459,000	1,459,000	...	9,410,000	...	1,049,000
X.—Stamps	3,110,540	3,087,000	3,203,000	116,000	...	3,194,000	...	9,000
XI.—Registration ...	266,360	267,000	262,000	...	5,000	265,000	3,000	...
XII.—Mint	172,283	180,000	254,000	74,000	...	196,000	...	58,000
XIII.—Post Office ...	911,806	983,000	968,000	...	15,000	1,008,000	40,000	...
XIV.—Telegraph ...	403,627	357,000	460,300	103,300	...	463,100	2,800	...
XV.—Minor Departments ...	60,142	32,400	59,500	27,100	...	61,700	2,200	...
XVI.—Law and Justice ...	647,130	649,000	663,000	14,000	...	680,000	17,000	...
XVII.—Police	211,108	233,000	221,000	...	12,000	232,000	11,000	...
XVIII.—Marine	250,595	206,000	203,000	...	3,000	226,000	23,000	...
XIX.—Education	147,425	139,000	137,000	...	2,000	137,000	...	...
XX.—Medical ...	42,419	37,500	52,000	14,500	...	38,200	...	13,800
XXI.—Stationery and Printing	47,096	46,000	52,000	6,000	...	45,000	...	7,000
XXII.—Interest	612,934	624,000	701,500	77,500	...	641,000	...	60,500
XXIII.—Superannuation Contributions	571,871	430,500	430,500	...	...	291,700	...	138,800
XXIV.—Miscellaneous ...	334,693	306,100	315,000	8,900	...	262,000	...	53,000
XXV.—Railways	10,822	10,000	...	...	10,000	...	...	...
XXVI.—Irrigation and Navigation	168,619	184,000	192,000	8,000	...	181,000	...	11,000
XXVII.—Other Public Works ...	554,295	461,000	464,600	3,600	...	456,700	...	7,900
XXVIII.—Provincial and Local Deficit ...	973	208,000	59,000	...	149,000	247,000	188,000	...
XXIX.—Army	926,962	844,500	858,300	13,800	...	800,200	...	58,100
XXX.—Gain by Exchange ...	133,313	78,000	324,000	246,000	...	237,000	...	87,000
TOTAL ...	58,042,667	57,140,400	59,226,300	2,085,900	...	57,615,000	...	1,611,300
Revenue from Productive Public Works.								
I.—Land Revenue ...	126,934	161,000	710,000	549,000	...	703,000	...	7,000
XXV.—Railways	6,167,312	6,444,000	6,701,000	257,000	...	7,545,000	844,000	...
XXVI.—Irrign. and Navigation	621,604	603,500	678,000	74,500	...	679,200	1,200	...
Total ...	6,915,850	7,208,500	8,089,000	880,500	...	8,927,200	838,200	...
GRAND TOTAL ...	64,958,517	64,348,900	67,315,300	2,966,400	...	66,542,200	...	773,100

Fort William;
Dept. of Finance and Commerce,
The 24th February 1880.

E. W. KELLNER,
Deputy Comptroller General.

GOVERNMENT OF INDIA IN INDIA.

1880-81.

EXPENDITURE.	Accounts, 1878-79.	Budget Estimates, 1879-80.	Regular Estimates, 1879-80.	Increase.	Decrease.	Budget Estimates, 1880-81.	Budget Estimates, 1880-81, compared with Regular Estimates, 1879-80.	
							Increase.	Decrease.
CIVIL.	£	£	£	£	£	£	£	£
1.—Interest on Debt ...	1,981,957	2,089,500	1,862,600	...	226,900	1,644,100	...	218,500
2.—Interest, other Accounts	377,827	385,000	380,600	...	4,400	398,400	17,800	...
3.—Refunds and Drawbacks ...	406,562	356,000	350,000	...	6,000	318,000	...	32,000
4.—Land Revenue ...	2,958,216	3,025,300	2,944,100	...	81,200	2,994,400	50,300	...
5.—Forest	451,106	505,900	516,200	10,300	...	527,600	11,400	...
6.—Excise	87,839	118,000	110,000	...	8,000	111,000	1,000	...
7.—Assessed Taxes ...	37,617	29,000	35,000	6,000	...	20,000	...	15,000
8.—Provincial Rates ...	64,431	53,000	50,000	...	3,000	53,000	3,000	...
9.—Customs	200,417	203,000	201,000	...	2,000	204,000	3,000	...
10.—Salt	404,743	383,000	356,000	...	27,000	368,000	12,000	...
11.—Opium	1,697,792	2,499,100	2,058,700	...	440,400	2,159,500	100,800	...
12.—Stamps	73,807	74,900	76,900	2,000	...	77,500	600	...
13.—Registration	160,801	155,000	162,000	7,000	...	166,000	4,000	...
14.—Mint	94,607	87,300	83,300	...	4,000	91,500	8,200	...
15.—Post Office	941,971	983,300	1,005,600	22,300	...	1,043,800	38,200	...
16.—Telegraph	388,313	392,200	385,200	...	7,000	380,900	...	4,300
17.—Administration ...	1,269,500	1,279,600	1,271,900	...	7,700	1,245,500	...	26,400
18.—Minor Departments ...	328,265	346,600	336,100	...	10,500	415,100	79,000	...
19.—Law and Justice ...	3,295,968	3,234,500	3,290,100	55,600	...	3,350,900	60,800	...
20.—Police	2,419,119	2,472,000	2,485,000	13,000	...	2,513,000	28,000	...
21.—Marine	404,700	396,900	385,800	...	11,100	419,000	33,200	...
22.—Education	977,100	1,024,500	971,600	...	52,900	1,015,800	44,200	...
23.—Ecclesiastical	153,562	159,900	154,700	...	5,200	158,600	3,900	...
24.—Medical	661,851	679,000	665,000	...	14,000	701,400	36,400	...
25.—Stationery and Printing...	283,446	345,900	328,700	...	17,200	415,700	87,000	...
26.—Political	435,858	375,700	428,200	52,500	...	393,000	...	35,200
27.—Allowances and Assignts....	1,792,419	1,887,900	1,878,900	...	9,000	1,824,900	...	54,000
28.—Civil Furlo. Allowances	4,482	2,000	4,000	2,000	...	3,000	...	1,000
29.—Superannuations ...	683,269	634,000	764,200	130,200	...	646,300	...	117,900
30.—Miscellaneous ...	266,220	245,000	294,000	49,000	...	243,300	...	50,700
31.—Famine Relief... ...	312,823	10,000	99,000	89,000	...	5,000	...	94,000
32.—Railways ...	226,846	94,000	360,000	266,000	...	304,000	...	56,000
33.—Irrigation and Navigation	629,308	643,800	710,800	67,000	...	633,800	...	77,000
34.—Other Public Works ...	4,220,707	4,752,200	4,006,400	...	745,800	4,216,500	210,100	...
35.—Provincial & Local Surplus	716,378	17,000	324,000	307,000	...	131,000	...	193,000
36.—Army	13,109,553	14,135,300	16,448,600	2,313,300	...	15,171,900	...	1,276,700
37.—Loss by Exchange ...	3,359,144	3,952,000	3,188,000	...	764,000	3,411,000	223,000	...
TOTAL ...	45,878,524	48,027,300	48,972,200	944,900	...	47,776,400	...	1,195,800
Expenditure on Productive Public Works (Working expenses and Interest).								
1.—Interest on Debt ...	1,407,824	1,595,000	1,587,000	...	8,000	1,725,000	138,000	...
32.—Railways	1,645,705	1,697,500	1,890,200	192,700	...	1,855,000	...	35,200
33.—Irrigation and Navigation	382,007	391,000	412,000	21,000	...	393,000	...	19,000
Total ...	3,435,536	3,683,500	3,889,200	205,700	...	3,973,000	83,800	...
GRAND TOTAL ...	49,314,060	51,710,800	52,861,400	1,150,600	...	51,749,400	...	1,112,000
38.—Productive Public Works	3,689,029	2,720,700	3,066,700	346,000	...	1,906,000	...	1,160,700

W. WATERFIELD,
Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

VI.

REVENUE AND EXPENDITURE OF THE HOME

Estimates,

REVENUE.	ACCOUNTS, 1878-79.	BUDGET ESTIMATES, 1879-80.	REGULAR ESTIMATES, 1879-80.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1880-81.	BUDGET ESTIMATES, 1880-81 COMPARED WITH REGULAR ESTIMATES, 1879-80.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
III.—FOREST	1,494	1,600	1,400	...	200	1,600	200	...
XII.—MINT	52	...	...	...	...	...	...	...
XIV.—TELEGRAPH ...	23,067	23,000	25,700	2,700	...	22,900	...	2,800
XV.—MINOR DEPARTMENTS	24,826	25,600	38,500	12,900	...	19,300	...	19,200
XVII.—MARINE ...	...	...	3,000	3,000	...	...	...	3,000
XX.—MEDICAL ...	1,913	1,500	2,000	500	...	1,800	...	200
XXII.—INTEREST ...	15,433	10,000	7,500	...	2,500	10,000	2,500	.....
XXIII.—SUPERANNUATION CONTRIBUTIONS ...	103,387	95,500	98,500	3,000	...	94,300	...	4,200
XXIV.—MISCELLANEOUS ...	13,861	3,900	9,000	5,100	...	6,000	...	3,000
XXVII.—OTHER PUBLIC WORKS ...	16,781	16,000	15,400	...	600	14,300	...	1,100
XXIX.—ARMY ...	47,811	35,500	65,700	30,200	...	32,800	...	32,900
TOTAL ...	248,625	212,600	266,700	54,100	...	203,000	...	63,700
Revenue from Productive Public Works.								
XXVI.—IRRIGATION ...	552	500	1,000	500	...	800	...	200
TOTAL ...	249,177	213,100	267,700	54,600	...	203,800	...	63,900

FORT WILLIAM;
DEPT. OF FINANCE AND COMMERCE,
The 24th February 1880.

E. W. KELLNER,
Deputy Comptroller General.

EASURY OF THE GOVERNMENT OF INDIA.

30-81.

EXPENDITURE.	Accounts, 1878-79.	Budget Estimates, 1879-80.	Regular Estimates, 1879-80.	Increase.	Decrease.	Budget Estimates, 1880-81.	Budget Estimates, 1880-81, compared with Regular Estimates, 1879-80.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
—Interest on Debt ...	2,593,112	2,668,500	2,589,400	...	79,100	2,369,900	...	219,500
—Interest, other Accounts	876	1,000	1,400	400	...	1,600	200	...
—Land Revenue ...	1,794	2,700	900	...	1,800	600	...	300
—Forest	3,828	4,100	4,800	700	...	4,400	...	400
—Opium	938	900	300	...	600	500	200	...
—Stamps	41,646	36,100	36,100	...	...	27,500	...	8,600
—Mint	9,384	25,700	20,700	...	5,000	19,500	...	1,200
—Post Office ...	91,356	99,700	125,400	25,700	...	98,200	...	27,200
—Telegraph ...	82,477	138,800	106,800	...	32,000	86,100	...	20,700
—Administration ...	218,164	218,400	213,100	...	5,300	220,500	7,400	...
—Minor Departments ...	27,061	28,400	30,900	2,500	...	21,900	...	9,000
—Law and Justice ...	1,095	1,500	1,900	400	...	2,100	200	...
—Marine	144,003	149,100	172,200	23,100	...	149,000	...	23,200
—Education	1,154	500	400	...	100	200	...	200
—Ecclesiastical ...	1,638	1,100	1,300	200	...	400	...	900
—Medical	7,208	...	8,000	8,000	...	7,600	...	400
—Stationery and Printing	188,024	190,100	114,300	...	75,800	66,300	...	48,000
—Political	12,935	50,300	42,800	...	7,500	43,000	200	...
—Allowances and Assignments	34,065	21,100	21,100	...	...	21,100	...	...
—Civil Furlough Allowances	227,079	230,000	216,000	...	14,000	230,000	14,000	...
—Superannuations ...	1,312,251	1,289,000	1,329,800	40,800	...	1,335,700	5,900	...
—Miscellaneous ...	27,148	32,000	20,000	...	12,000	20,700	700	...
—Famine Relief ...	597	...	...	...	...	...	...	...
—Irrigation ...	1,611	200	200	...	...	200	...	...
—Other Works ...	87,540	142,800	139,600	...	3,200	89,500	...	50,100
—Army	3,982,872	4,119,700	4,618,400	498,700	...	5,121,100	502,700	...
TOTAL ...	9,109,856	9,451,700	9,815,800	364,100	...	9,937,600	121,800	...
xpenditure on Productive Public Works.								
—Railways	4,689,276	4,744,500	4,736,800	...	7,700	4,592,000	...	144,800
—Irrigation ...	50,111	50,000	50,000	...	...	50,000	...	...
TOTAL ...	4,739,387	4,794,500	4,786,800	...	7,700	4,642,000	...	144,800
TOTAL ...	13,849,243	14,246,200	14,602,600	356,400	...	14,579,600	...	23,000
—Productive Public Works	692,869	779,300	633,300	...	146,000	1,406,000	772,700	...

W. WATERFIELD,
Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

VII.

RECEIPTS AND DISBURSEMENTS AT THE TREASURIES

RECEIPTS.	Accounts, 1878-79.	Budget Estimates, 1879-80.	Regular Estimates, 1879-80.	Increase.	Decrease.	Budget Estimates, 1880-81.	Budget Estimates, 1880-81, compared with Regular Estimates, 1879-80. Increase.	Decrease.
	£	£	£	£	£	£	£	£
I.—Balance ...	14,498,302	12,988,800	12,792,153	...	196,647	14,193,075	1,400,922	...
II.—Imperial revenue ...	64,958,517	64,348,900	67,315,300	2,966,400	...	66,542,200	...	773,100
III.—Provincial and Local surplus... ...	716,378	17,000	324,000	307,000	...	131,000	...	193,000
IV.—Service funds, civil ...	616,401	603,000	591,000	...	12,000	603,000	12,000	...
V.—Service funds, military	...	...	...	...	...	...	...	...
VI.—Loans to native states, corporations and individuals repaid ...	228,361	216,000	1,078,000	862,000	...	213,000	...	865,000
VII.—Savings banks' deposits...	677,946	730,000	765,000	35,000	...	793,000	28,000	...
VIII.—Other deposits received & advances recovered	16,825,797	12,429,000	12,670,900	241,900	...	12,602,500	...	68,400
IX.—Local remittances ...	467,330	456,000	178,000	...	278,000	86,000	...	92,000
X.—Inter-provincial and inter-departmental transactions ...	17,967,362	25,000,000	25,663,000	663,000	...	26,019,000	356,000	...
XI.—Remittance account with the Home Treasury ...	1,389,859	1,089,000	1,335,600	246,600	...	1,054,000	...	281,600
XIII.—Political and Trust Funds ...	267,380	384,000	74,000	...	310,000	83,000	9,000	...
XIV.—Public debt incurred*	4,344,174	5,000,000	9,264,500	4,264,500	...	819,700	...	8,444,800
XV.—Treasury Notes ...	262,636	218,000	195,000	...	23,000	308,000	113,000	...
XVI.—Guaranteed railway capital received ...	2,310,878	2,149,700	2,022,600	...	127,100	1,459,000	...	563,600
TOTAL ...	125,231,321	125,629,400	134,269,053	8,639,653	...	124,906,475	...	9,362,578

* The Estimates in this Statement of the amounts to be borrowed and to be supplied to the Home Treasury by Bills in 1880-81 are th
that the Secretary of State will raise by Bills the exact amount stated; or that the exact amount state

Abstract of the above showing how th

ACCOUNTS, 1878-79.	£		£	REGULAR EST	£
Surplus of Imperial revenue ...	11,955,428	Service funds, military ...	349,940	Surplus of Imperial revenue ...	11,387,200
Surplus of Provincial and local revenue ...	715,405	Loans to native states, corporations and individuals	1,048,705	Do. of Provincial and Local ...	265,000
Service funds, civil ...	96,375	Savings banks' deposits withdrawn	12,934	Service funds, civil ...	170,000
Political and Trust Funds	6,924	Secretary of State's bills paid	15,464,758	Savings banks' deposits ...	117,000
Public debt incurred ...	3,847,184	Deposits repaid ...	1,649,656	Deposits ...	238,400
Treasury Notes ...	122,750	Remittances ...	695,236	Remittances ...	729,022
Guaranteed railway capital received ...	771,014			Public debt incurred ...	3,867,200
Balance reduced ...	1,706,149			Treasury Notes ...	156,000
TOTAL ...	19,221,229	TOTAL ...	19,221,229	Guaranteed railway capital received ...	674,100
				TOTAL ...	17,603,922

Fort William;
Dept. of Finance & Commerce,
The 24th February 1880.

E. W. Kellner,
Deputy Comptroller General.

OF THE GOVERNMENT OF INDIA IN INDIA.

DISBURSEMENTS.	ACCOUNTS, 1878-79.	BUDGET ESTIMATES, 1879-80.	REGULAR ESTIMATES, 1879-80.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1880-81.	BUDGET ESTIMATES, 1880-81, COMPARED WITH REGULAR ESTIMATES, 1879-80.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
1.—IMPERIAL EXPENDITURE ...	53,003,089	54,431,500	55,928,100	1,496,600	...	53,655,400	...	2,272,700
2.—PROVINCIAL AND LOCAL DEFICITS	973	208,000	59,000	...	149,000	247,000	188,000	...
3.—SERVICE FUNDS, CIVIL ...	520,026	453,000	421,000	...	32,000	451,000	30,000	...
4.—SERVICE FUNDS, MILITARY ...	349,940	214,000	220,000	6,000	...	32,000	...	188,000
5.—LOANS ADVANCED TO NATIVE STATES, CORPORATIONS AND INDIVIDUALS ...	1,277,066	416,000	1,251,000	835,000	...	232,000	...	1,019,000
6.—SAVINGS BANKS' DEPOSITS WITHDRAWN ...	690,880	700,000	648,000	...	52,000	669,000	21,000	...
7.—OTHER DEPOSITS REPAID AND ADVANCES MADE ...	18,475,453	12,243,000	12,432,500	189,500	...	12,166,500	...	266,000
8.—LOCAL REMITTANCES ...	42,079	837,000	...	...	837,000	...	...	...
9.—INTER-PROVINCIAL AND INTER-DEPARTMENTAL TRANSACTIONS ...	19,566,018	24,525,000	25,539,078	1,014,078	...	26,667,000	1,127,922	...
10.—REMITTANCE ACCOUNT WITH THE HOME TREASURY ...	611,690	256,500	908,500	652,000	...	109,200	...	799,300
11.—SECRETARY OF STATE'S BILLS ON INDIA PAID* ...	15,464,758	15,000,000	15,750,000	750,000	...	16,900,000	1,150,000	...
12.—POLITICAL AND TRUST FUNDS	260,456	368,000	134,000	...	234,000	151,000	17,000	...
13.—PUBLIC DEBT DISCHARGED ...	496,990	1,673,500	5,397,300	3,723,800	...	836,700	...	4,560,600
14.—TREASURY NOTES ...	139,886	126,500	39,000	...	87,500	33,000	...	6,000
15.—GUARANTEED RAILWAY CAPITAL WITHDRAWN ...	1,539,864	1,608,900	1,348,500	...	260,400	1,312,500	...	36,000
16.—BALANCE ...	12,792,153	12,568,500	14,193,075	1,624,575	...	11,444,175	...	2,748,900
TOTAL ...	125,231,321	125,629,400	134,269,053	8,639,653	...	124,906,475	...	9,362,578

best that can now be made; but they are subject to modification as the year goes on; the Government must not be understood to pledge itself will be borrowed during the year; or that it will be borrowed in India or in England as the case may be.

Ways and Means are provided.

MATES, 1879-80.		BUDGET ESTIMATES, 1880-81.			
	£		£		£
SERVICE FUNDS, MILITARY ...	220,000	SURPLUS OF IMPERIAL REVENUE	12,886,800	DEFICIT OF PROVINCIAL AND LOCAL EXPENDITURE ...	116,000
LOANS TO NATIVE STATES, CORPORATIONS AND INDIVIDUALS	173,000	SERVICE FUNDS, CIVIL ...	152,000	SERVICE FUNDS, MILITARY ...	32,000
POLITICAL AND TRUST FUNDS	60,000	SAVINGS BANKS' DEPOSITS ...	124,000	LOANS TO NATIVE STATES, CORPORATIONS AND INDIVIDUALS	19,000
SECRETARY OF STATE'S BILLS PAID ...	15,750,000	DEPOSITS ...	436,000	POLITICAL AND TRUST FUNDS	68,000
BALANCE INCREASED ...	1,400,922	REMITTANCES ...	382,800	DEBT DISCHARGED ...	17,000
		TREASURY NOTES ...	275,000	SECRETARY OF STATE'S BILLS PAID ...	16,900,000
		GUARANTEED RAILWAY CAPITAL RECEIVED ...	146,500		
		BALANCE REDUCED ...	2,748,900		
TOTAL ...	17,603,922	TOTAL ...	17,152,000	TOTAL ...	17,152,000

W. WATERFIELD,
Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

VIII.

RECEIPTS AND DISBURSEMENTS AT THE HOME

RECEIPTS.	Accounts, 1878-79.	Budget Estimates, 1879-80.	Regular Estimates, 1879-80.	Increase.	Decrease.	Budget Estimates, 1880-81.	Budget Estimates, 1880-81, compared with the Regular Estimates, 1879-80.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
I.—Balance	1,076,657	1,211,200	1,117,925	...	93,275	1,806,925	689,000	...
II.—Public revenue ...	219,177	213,100	267,700	54,600	...	203,800	...	63,900
VIII.—Deposits received and advances recovered ...	28,070	4,000	30,100	26,100	...	3,500	...	26,600
XI.—Secretary of State's Bills on India sold and Bills bought in India	15,464,758	15,000,000	15,750,000	750,000	...	16,900,000	1,150,000	...
XII.—Other miscellaneous remittances from India ...	501,249	107,000	150,400	43,400	...	129,000	...	21,400
XIV.—Public debt incurred* ...	3,726,584	3,009,500	3,873,500	864,000	...	2,013,300	...	1,860,200
XV.—Guaranteed Railway Capital received	873,799	923,300	819,400	...	103,900	250,000	...	569,400
TOTAL ...	21,920,294	20,468,100	22,009,025	1,540,925	...	21,306,525	...	702,500

* The Estimates in this Statement of the amount to be supplied to the Home Treasury by Bills in 1880-81 and of the Debt transactions are the
the Secretary of State will raise by Bills the exact amount stated, or that

Abstract of the above showing how the

ACCOUNTS, 1878-79.				REGULAR EST	
	£		£		£
Net Deposits received and advances recovered ...	18,780	Deficit of Revenue ...	14,292,935	Net Deposits received and Advances recovered ...	25,600
Secretary of State's Bills ...	15,464,758	Net Miscellaneous Remittances	575,874	Secretary of State's Bills ...	15,750,000
Net Public Debt incurred ...	352,084	Net Guaranteed Railway Capital withdrawn ...	925,545	Net Public Debt incurred ...	1,263,800
		Balance increased ...	41,268		
TOTAL ...	15,835,622	TOTAL ...	15,835,622	TOTAL ...	17,039,400

Fort William;
Dept. of Finance and Commerce,
The 24th February 1880.

E. W. KELLNER,
Deputy Comptroller General.

TREASURY OF THE GOVERNMENT OF INDIA.

DISBURSEMENTS.	Accounts, 1878-79.	Budget Estimates, 1879-80.	Regular Estimates, 1879-80.	Increase.	Decrease.	Budget Estimates, 1880-81.	Budget Estimates, 1880-81 compared with the Regular Estimates, 1879-80.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
1.—Public Expenditure ...	14,542,112	15,025,500	15,235,900	210,400	...	15,985,600	749,700	...
7.—Deposits repaid and advances made	9,290	4,000	4,500	500	...	3,500	...	1,000
10.—Miscellaneous remittances to India	1,077,123	1,033,500	1,040,500	7,000	...	1,142,800	102,300	...
13.—Public debt discharged ...	3,374,500	2,009,500	2,609,700	600,200	...	1,290,300	...	1,319,400
14.—Guaranteed railway capital withdrawn	1,799,344	1,464,100	1,311,500	...	152,600	1,078,500	...	233,000
15.—Balance	1,117,925	931,500	1,806,925	875,425	...	1,805,825	...	1,100
TOTAL ...	21,920,294	20,468,100	22,009,025	1,540,925	...	21,306,525	...	702,500

best that can now be made; but they are subject to modification as the year goes on; the Government must not be understood to pledge itself that the Debt transactions will be carried out as estimated.

Ways and Means are provided.

MATES, 1879-80.		BUDGET ESTIMATES, 1880-81.			
	£		£		£
Deficit of revenue ...	14,968,200	Secretary of State's Bills	16,900,000	Deficit of Revenue ...	15,781,800
Net Miscellaneous remittances to India ...	890,100	Net Debt incurred ...	723,000	Net Miscellaneous Remittances to India ...	1,013,800
Net Guaranteed railway capital withdrawn ...	492,100	Balance reduced ...	1,100	Net Guaranteed Railway Capital withdrawn ...	828,500
Balances increased ...	689,000				
TOTAL ...	17,039,400	TOTAL ...	17,624,100	TOTAL ...	17,624,100

W WATERFIELD,
Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

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IX.

CLOSING BALANCES OF THE PROVINCIAL GOVERNMENTS.

	Regular Estimate, 1879-80.			Budget Estimate, 1880-81.		
	Provincial.	Local.	Total.	Provincial.	Local.	Total.
	£	£	£	£	£	£
India	...	4,900	4,900	...	3,000	3,000
Central Provinces	64,500	40,700	105,200	59,400	34,100	93,500
British Burmah	166,900	49,800	216,700	122,300	47,800	170,100
Assam	16,300	2,600	18,900	25,800	4,300	30,100
Bengal	524,900	256,500	781,400	561,700	324,400	886,100
North-Western Provinces and Oudh	337,200	430,700	767,900	195,600	474,200	669,800
Punjab	86,700	54,400	141,100	98,100	58,500	156,600
Madras	44,100	372,500	416,600	76,200	306,600	382,800
Bombay	91,200	124,600	215,800	32,400	97,300	129,700
Total ...	1,331,800	1,336,700	2,668,500	1,171,500	1,350,200	2,521,700

Fort William;
Dept. of Finance and Commerce,
The 24th February 1880.

E. W. KELLNER,
Deputy Comptroller General.

W. WATERFIELD,
Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

TABLE I.—*Miscellaneous.*

	1874-75.	1875-76.	1876-77.	1877-78.	1878-79.	1879-80.	1880-81.
	£	£	£	£	£	£	£
DEFICIT of recorded Revenue compared with whole recorded Expenditure ...	3,930,374	2,601,684	5,992,062	8,334,139	2,337,507	3,581,000	2,895,000
PRODUCTIVE PUBLIC WORKS, Capital Expenditure	4,249,571	4,270,629	3,809,284	4,791,052	4,381,898	3,700,000	3,312,000
Recorded Revenue compared with the recorded Expenditure, excluding Expenditure on Productive Public Works—							
SURPLUS	319,197	1,668,945	... ...	... ...	2,044,391	119,000	417,000
DEFICIT	... ...	... ...	2,182,778	3,543,087			
Net Public Debt incurred	8,398,168	4,109,522	4,750,145	7,345,416	4,199,263	5,131,000	706,000
NET PUBLIC DEBT incurred, including Capital transactions with Guaranteed Railway and other Companies and Native States, &c.	4,382,300	2,878,300	3,317,000	6,496,206	3,209,100	5,523,300	488,000
Value of commodities exported, excluding Gold and Silver	56,359,000	58,091,000	61,014,000	65,222,000	60,937,000		
Value of commodities imported, excluding Gold and Silver	36,222,000	38,887,000	37,428,000	41,464,000	37,800,000		
EXCESS OF EXPORTS OVER IMPORTS, excluding Gold and Silver	20,137,000	19,204,000	23,586,000	23,758,000	23,137,000		
Net imports of Gold	1,874,000	1,545,000	207,000	468,000	(Exports) 896,000		
Net imports of Silver	4,642,000	1,553,000	7,199,000	14,676,000	3,970,000		
TOTAL NET IMPORTS OF GOLD AND SILVER	6,516,000	3,098,000	7,406,000	15,144,000	3,074,000		
Excess of Exports over Imports, including Gold and Silver	13,621,000	16,106,000	16,180,000	8,614,000	20,063,000		
Grand total value of Imports and Exports of all kinds	102,348,000	104,480,000	113,908,000	126,252,000	109,777,000		
SECRETARY OF STATE'S BILLS sold (Rupees) ... . Rs.	11,74,37,000	13,75,00,000	14,85,70,000	11,69,85,000	16,91,24,000	18,90,00,000	20,28,00,000
Sterling Equivalent received ... ... £	10,841,600	12,390,000	12,696,000	10,134,000	13,949,000	15,750,000	16,900,000
SILVER coined at the Indian Mints	4,897,000	2,550,000	6,271,000	16,180,000	7,210,770	8,421,902	
Gold coined in Germany	... ...	12,756,000	2,873,000	7,112,000	5,475,340	1,509,877	
Silver coined in Germany	... ...	6,602,000	9,523,000	1,669,000	88,498	...	
Maximum PRICE OF AN OZ. TROY STANDARD SILVER IN LONDON	59¼d. (25th April)	57⅞d. (27th April)	58⅛d. (18th Jan)	55⅛ (8th Oct.)	54¼d. (2nd April)	53⅜ (Nov.)	
Minimum ditto	57d. (9th March)	52⅛d. (22nd March)	47d. (7th July)	53¼ (21st June)	48⅛d. (21st Dec.)	49⅝ (April)	
Maximum price of a sovereign in Calcutta ... ... Rs.	10 12 0	11 12 0	13 (7th July)	11 14 0 (5th Sept.)	12 11 (March)	12 11 (May)	
Minimum ditto ... ... ,,	10 9 0	11	11Rs. 3as. (6th Feb.)	11 4 0 (10th April)	11 11 (11th June)	11 15 (Jan.)	
AVERAGE EXCHANGE upon Secretary of State's Bills sold per rupee .. £	1s. 10·22d.	1s. 9·64d.	1s. 8·49d.	1s. 8·79d.	1s. 7·761d.	1s. 8d.	1s. 8d.
Fixed RATE OF EXCHANGE for the ADJUSTMENT of transactions between the Indian and Imperial Treasuries	1s. 10d.	1s. 10¼d.	1s 9¾d.	1s. 9½d.	1s. 9d.	1s. 7½d.	1s. 8½d.
Maximum RATE OF DISCOUNT ON LOANS on demand at the BANK OF BENGAL, Calcutta	11 (11th April)	9 (May)	11 (April)	12 (May)	9 (1st April)	9 (April)	
Minimum ditto	3½ (July to Nov.)	4 (Nov. and Dec.)	5 (Aug. and Sept.)	(Dec. and Jan.)	3 (7th Nov.)	3 (Jan.)	
Maximum RATE OF DISCOUNT at the BANK OF ENGLAND ...	6 (Dec.)	4 (Oct. and Jan.)		5 (Oct. and Nov.)	6 (Oct. and Nov.)	3 (April to Oct.)	
Minimum ditto	2½ (July)	2 (Aug.)	2 throughout the year.	2 (subsequently.)	2½ (30th May)	2 (Nov. to Feb.)	
Maximum MONEY BALANCES of the three PRESIDENCY BANKS	6,927,800 (July)	7,041,800 (July)	6,382,700 (July)	7,574,900 (Jan.)	6,978,500 (July)	7,703,600 (Feby.)	
Minimum ditto	4,859,200 (May)	4,762,300 (May)	4,132,500 (Oct.)	3,672,200 (April)	4,589,300 (Jan.)	4,150,400 (April)	
Maximum price in Calcutta of Govt. FOUR PER CENT. RUPEE SECURITIES ...	104¾ (15th July)	102⅞ (3rd June)	102⅝ (25th July)	98¼ (27th June)	97 (July and Aug.)	95¼ (July)	
Minimum ditto	101½ (25th March)	99 (21st March)	96¾ (13th Jan.)	92 (8th Sept.)	91⅝ (March)	91¼ (May)	
Maximum amount outstanding on London Register, of RUPEE SECURITIES ENFACED FOR INTEREST DRAFTS	14,214,617 (Nov.)	14,407,861 (Oct.)	14,125,982 (April)	14,588,744	15,950,002 (Feb.)	19,210,709 (Jan.)	
Minimum ditto	13,098,988 (May)	14,111,441 (April)	12,655,322 (Dec.)	13,057,964	13,826,493 (Oct.)	15,908,182 (May)	
Maximum price in London of such securities (in Gold)	98	93½ (7th April)	92 (15th Dec.)	84⅛ (5th April)	81¾ (1st April)	80¾ (Oct.)	
Minimum ditto	93½	82 (4th March)	77 (6th July)	81½ (23rd Jan.)	72 (23rd Oct.)	71⅛ (May)	
Maximum price in London of Secretary of State's FOUR PER CENT. STERLING BONDS	104⅞ (Feb.)	106½ (5th Aug.)	104¾ (22nd Feb.)	104⅛ (30th Aug.)	104½ (July & Aug.)	105¼	
Minimum ditto	100½ (April)	102¾ (3rd June)	101 (20th Oct.)	100⅛ (21st Mar.)	97 (Oct.)	100⅜	
Maximum GOVERNMENT PAPER CURRENCY outstanding	11,327,607 (7th Feb.)	12,161,224 (22nd Oct.)	12,551,185 (7th Feb.)	15,757,790 (15th Jan.)	14,584,900 (Sept.)	14,329,700 (Jan.)	
Minimum ditto	9,221,438 (7th April)	10,668,628 (7th May)	10,532,294 (15th May)	11,130,528 (30th April)	11,423,600 (March)	11,113,800 (June)	
Number of SAVINGS BANKS	326	330	340	343	338	339	
Number of Depositors in Savings Banks	67,316	73,401	80,004	83,518	84,503	90,084	
Amount deposited in Savings Banks	1,746,793	1,895,452	1,936,193	1,925,335	1,912,401	2,057,639	
Average of each Deposit	25	25	24	23	22	22	
Net addition to Deposits	9,936	148,659	40,741	10,858 (Decrease.)	12,934 (Decrease.)	145,238	
Cash Reserve at the BANK OF FRANCE in December of each year—in 000's of Francs	1,325,300	1,679,300	2,169,000	2,042,500	2,041,700	1,979,017	
Silver ditto ditto	313,200	505,000	638,600	865,400	1,058,100	1,220,501	
Percentage of Silver on the Total Reserve	24	31	30	43	52	62	

APPENDIX.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE II.—*Sea-borne Trade for the year (Principal articles arranged in order of their declared value*

No.	EXPORTS.		1874-75.	1875-76.	1876-77.	1877-78.	1878-79
1	OPIUM—						
	Quantity	Chests.	94,746	88,350	96,870	92,820	91,20(
	Value	£	11,956,972	11,148,426	12,404,748	12,374,355	12,993,97
	Average declared value per chest, in Rupees	Rs.	1,262	1,261	1,281	1,333	1,42
2	COTTON—						
	Raw—						
	Quantity	Cwt.	5,600,086	5,009,788	4,557,914	3,459,977	2,966,06
	Value	£	15,257,342	13,278,964	11,746,184	9,383,534	7,913,04
	Average declared value per lb.— Annas	...	As. 3 11	As. 3 9	As. 3 8	As. 3 10	As. 3 1
	Average declared value per lb.— Pence, at average exchange ...	...	5·40	5·13	4·71	4·98	4·7
	Twist and Yarn—						
	Quantity	Lbs.	2,834,725	6,228,511	7,926 710	15,600,291	21,332,50
	Value	£	147,562	266,951	367,303	682,059	886,48
	Average declared value per lb.	Annas.	As. 8 4	As. 6 10	As. 7 5	As. 7 0	As. 6
	Other manufactures—Value...	£	364,812	396,472	445,079	460,674	511,49
	Average declared value per yard— Grey or unbleached... ...	Annas.	...	As. 2 6	As. 2 6	As. 2 3	As. 2
	Average declared value per yard— Coloured, printed, or dyed	,,	...	As. 4 9	As. 5 3	As. 4 10	As. 4
	Percentage of manufactures on whole value exported ...	...	3·25	4·76	6·47	10·85	15·0
3	RICE AND PADDY—						
	Quantity	Cwt.	17,392,938	20,416,032	19,914,334	18,428,386	21,237,23
	Value	£	4,765,334	5,311.095	5,815,221	6,956,276	8,973,72
	Average declared value of husked rice per cwt.— Rupees	...	2 0 10	2 2 3	2 15 1	3 12 6	4 4
	Average declared value of husked rice per cwt.— Shillings, at average exchange	...	5·11	4·70	5·02	6·55	7·0
4	JUTE—						
	Raw and manufactured—Value	£	3,485,522	3,294,521	3,356,124	4,289,241	4,898,86
	Average declared value of raw jute per cwt.— Rupees	...	5 14 7	5 6 2	5 13 1	6 7 3	6 5
	Average declared value of raw jute per cwt.— Shillings, at average exchange	...	10·94	9·72	9·94	11·18	10·3
	Percentage of manufactures on whole value exported ...	...	6·85	14·85	21·43	17·97	22·4
5	SEEDS—						
	Quantity	Cwt.	6,074,756	10,506,822	9,582,865	12,187,020	7,200,97
	Value	£	3,235,950	5,461,982	5,319.124	7,360,284	4,675,03
	Average declared value of linseed per cwt.— Rupees	...	5 0 0	5 4 6	5 5 11	5 13 10	6 3 1
	Average declared value of linseed per cwt.— Shillings, at average exchange	...	9·27	9·52	9·17	10·16	10·2
6	TEA—						
	Quantity	Lbs.	21,137,087	24,361,599	27,784,124	33,459,075	34,432,57
	Value	£	1,937,429	2,166,417	2,607,425	3,044,571	3,138,42
	Average declared value per lb.— Annas	...	As. 14 8	As. 14 3	As. 15 0	As. 14 6	As. 14
	Average declared value per lb.— Shillings, at average exchange	...	1·70	1·60	1·60	1·57	1·5
7	HIDES AND SKINS—						
	Quantity	No.	18,162,851	19,433,332	19,792,877	22,916,317	21,223,40
	Value	£	2,677,767	2,943.575	2,998,684	3,756,888	3,096,84
	Percentage of dressed or manufactured to whole value ...	...	18·87	40·44	49·77	48·29	42·0
8	INDIGO—						
	Quantity	Cwts.	81,466	110,392	100,384	120,605	105,05
	Value	£	2,576,302	2,875.062	2.962,785	3,494,334	2,960,46
	Average declared value per cwt.— Rupees	...	316 3 10	260 7 0	295 2 4	289 11 9	281 13
	Average declared value per cwt.— Sterling, at average exchange	£	29·27	23·48	25·19	25·09	23·2
9	COFFEE—						
	Quantity	Cwts.	311,831	371,986	302,489	297,327	341,18
	Value	£	1,305,335	1,627,027	1,345,822	1,338,499	1,543,64
	Average declared value per cwt.— Rupees	...	41 13 9	43 11 10	44 7 10	45 0 3	45 3 1
	Average declared value per cwt.— Shillings, at average exchange	...	77·51	78·88	75·97	77·98	74·5
10	WOOL—						
	Raw and manufactured—Value	£	1,159,086	1,295,193	1,293,490	1,151,518	1,243,27
	Average declared value of raw wool per lb.— Annas	...	As. 7 2	As. 7 4	As. 7 2	As. 6 6	As. 6
	Average declared value of raw wool per lb.— Pence, at average exchange	...	9·99	9·95	9·22	8·44	7·8
11	SILK—						
	Raw and manufactured—Value	£	998,450	656,728	1,090,566	854,629	746,68
	Average declared value of raw silk per lb.— Rupees	...	4 10 1	3 2 9	5 7 8	4 10 5	4 4
	Average declared value of raw silk per lb.— Shillings, at average exchange	...	8·57	5·72	9·25	8·06	7·0
12	WHEAT—						
	Quantity	Cwts.	1,069,076	2,498.185	5,583,336	6,340,150	1,044,70
	Value	£	490,435	901,026	1,956,332	2,856,990	513,77
	Average declared value per cwt.— Rupees	...	4 9 5	3 9 8	3 8 0	4 8 1	4 14
	Average declared value per cwt.— Shillings, at average exchange	...	8·50	6·51	5·98	7·80	8·0
13	SALTPETRE—						
	Quantity	Cwts.	553,330	415,080	466,218	389,002	382,40
	Value	£	501,468	348,949	381,706	379,002	361,76
	Average declared value per cwt.— Rupees	...	9 1 0	8 6 7	8 3 0	9 11 11	9 7
	Average declared value per cwt.— Shillings, at average exchange	...	16·78	15·16	13·96	16·88	15·5
14	LAC—						
	Value	£	254,011	755,747	536,976	362,048	298,71
15	TEAK WOOD—						
	Quantity	Cubic Tons.	42,868	60,612	45,108	56,939	37,41
	Value	£	328,564	440,618	332,764	406,652	268,95
	Average declared value per cubic ton— Rupees	...	76 10 4	72 11 1	73 12 4	71 6 8	71 14
	Average declared value per cubic ton— Sterling, at average exchange	£	7·09	6·83	6·29	6·19	5·92
16	SUGAR—						
	Value	£	319,238	253,937	925,196	745,851	204,36

APPENDIX.

COMMERCIAL AND FINANCIAL STATISTICS.

Sea-borne Trade for the year, &c.—continued.

No.	IMPORTS.		1874-75.	1875-76.	1876-77.	1877-78.	1878-79.
1	COTTON—						
	Twist and Yarn—						
	Quantity	Lbs.	37,097,260	31,927,340	33,270,208	36,196,661	33,145,651
	Value	£	3,157,780	2,794,769	2,733,535	2,850,616	2,779,774
	Average declared value per lb. ... ... { Annas		...	11·00	13·14	12·60	13·42
	{ Pence at average exchange ...		...	1*s.* 6·93*d.*	1*s.* 4·83*d.*	1*s.* 4·37*d.*	1*s.*4·57*d.*
	Other manufactures—						
	Value	£	16,263,560	16,463,875	16,012,932	17,332,639	14,137,694
	TOTAL COTTON GOODS.—Gross Imports ...	£	19,421,340	19,258,644	18,746,467	20,183,255	16,917,468
	Re-exports—						
	Twist and Yarn—						
	Quantity	*Lbs.*	*781,220*	*792,668*	*839,539*	*934,437*	*754,648*
	Value	£	*56,249*	*57,424*	*58,423*	*62,733*	*51,217*
	Other manufactures—						
	Value	£	*1,061,727*	*984,105*	*1,064,392*	*1,089,614*	*1,132,627*
	Total Re-exports ...	£	*1,117,976*	*1,041,529*	*1,122,815*	*1,152,347*	*1,183,844*
	TOTAL COTTON GOODS.—Net Imports ...	£	18,303,364	18,217,115	17,623,652	19,030,908	15,733,624
2	METALS	Value £	2,607,122	3,310,452	3,721,007	3,736,958	3,372,903
3	SILK, (Raw and Manufactured)	„ „	1,583,405	1,404,235	1,037,957	1,485,550	1,496,487
4	RAILWAY PLANT AND ROLLING-STOCK	„ „	780,867	1,079,105	1,194,145	1,727,560	1,491,881
5	SUGAR	„ „	516,564	895,929	403,607	798,036	1,480,880
6	LIQUORS	„ „	1,636,568	1,702,197	1,585,345	1,683,655	1,372,487
7	PROVISIONS	„ „	363,727	717,234	664,938	861,116	990,530
8	WOOLLEN MANUFACTURES	„ „	557,585	1,119,274	911,890	955,142	961,666
9	MACHINERY AND MILL-WORK	„ „	1,185,943	1,439,921	963,504	873,960	893,875
10	COAL, (excluding coke and patent fuel)—						
	Quantity	Tons.	360,252	388,480	523,384	603,731	473,027
	Value	£	685,720	647,562	918,309	1,004,942	881,444
	Average declared value per ton— { Rupees		19·03	16·67	17·54	16·64	18·63
	{ Shillings, at average exchange ...		34·94	31·01	30·34	28·83	30·68
11	SALT—						
	Quantity	Tons.	277,085	365,254	298,776	254,231	274,182
	Value	£	755,771	601,146	430,895	401,366	593,621
	Average declared value per ton— { Rupees		27·28	16·45	14·42	15·78	21·65
	{ Shillings, at average exchange ...		50·51	29·66	24·62	27·35	35·65
12	APPAREL	Value £	620,456	634,256	542,860	579,106	546,089
13	SPICES	„ „	179,126	395,988	432,991	488,884	509,043

TABLE III.—*Sea-borne Trade for the first ten months* (*Principal articles arranged in order of their declared value*).

	1875-76.	1876-77.	1877-78.	1878-79.	1879-80.
	£	£	£	£	£
Value of commodities exported, excluding gold and silver ...	46,309,370	48,265,519	52,210,342	47,821,206	51,522,819
Value of commodities imported, excluding gold and silver ...	30,830,219	30,408,746	34,457,474	32,426,305	33,557,095
Excess Exports ...	15,479,151	17,856,773	17,752,868	15,394,901	17,965,724
Net imports of silver	966,336	5,628,814	13,117,467	2,187,577	6,680,763
Net imports of gold	1,486,222	—410,234	278,765	—482,078	1,388,535
TOTAL NET IMPORTS OF GOLD AND SILVER ...	2,452,558	5,218,580	13,396,232	1,705,499	8,069,298
GRAND TOTAL IMPORTS AND EXPORTS OF ALL KINDS ...	83,124,766	91,365,735	104,112,057	88,090,522	96,944,010

* *

APPENDIX.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE III.—*Sea-borne Trade for the first Ten months, &c.*—continued.

No.	EXPORTS.			TEN MONTHS, 1ST APRIL TO 31ST JANUARY.				
				1875-76.	1876-77.	1877-78.	1878-79.	1879-80.
1	OPIUM ...	Quantity	Chests	73,095	81,613	77,387	76,165	91,081
		Value	£	9,186,788	10,490,687	10,264,066	10,917,614	12,299,004
		Average value per chest ...	Rs.	1,256-13-3	1,285-6-8	1,326-5-3	1,433-6-8	1,350-5-5
2	COTTON, RAW	Quantity	Cwts.	4,295,871	3,561,477	2,585,377	2,281,507	2,895,909
		Value	£	11,476,987	8,968,014	6,949,554	6,149,132	7,992,393
		Average value per lb. ...	Rs.	0-3-9	0-3-7	0-3-10	0-3-10	0-3-11
	„ MANUFACTURES—							
	Twist and Yarn	Quantity ...	lbs.	4,587,225	6,817,270	12,779,989	18,306,631	20,445,445
		Value	£	196,768	316,636	558,913	767,675	854,667
		Average value per lb. ...	Rs.	0-6-10	0-7-5	0-6-11	0-6-8	0-6-8
	Other manufactures—Value		£	326,201	375,860	392,895	431,844	420,624
	TOTAL COTTON (RAW AND MANUFACTURED)...		£	11,999,956	9,660,510	7,901,362	7,348,651	9,267,684
3	RICE AND PADDY.	Quantity	Cwts.	13,045,994	11,658,224	10,186,650	12,420,606	12,507,197
		Value	£	3,549,719	3,397,812	4,017,310	5,699,274	5,149,989
		Average value per cwt. ...	Rs.	2-11-6	2-14-8	3-15-1	4-9-5	4-1-11
4	JUTE (Raw and Manufactured)—Value ...		£	2,639,680	2,895,432	3,679,332	4,076,573	4,539,642
5	SEEDS ...	Quantity	Cwts.	8,514,879	8,559,142	11,239,493	6,357,845	5,767,116
		Value	£	4,414,548	4,688,529	6,758,930	4,089,485	3,764,594
		Average value per cwt. ...	Rs.	5-2-11	5-7-8	6-0-2	6-6-11	6-8-5
6	HIDES AND SKINS.	Quantity	Cwts.	534,504	495,367	709,852	630,278	709,755
		Value	£	2,378,801	2,309,783	2,990,696	2,455,043	2,786,059
		Average value per cwt. ...	Rs.	44-8-1	46-10-0	42-2-1	38-15-2	39-4-1
7	TEA ...	Quantity	lbs.	21,254,915	25,186,248	30,306,610	30,692,313	34,243,539
		Value	£	1,899,961	2,361,799	2,770,735	2,808,432	2,746,782
		Average value per lb. ...	Rs.	0-14-4	0-15-0	0-14-7	0-14-8	0-12-10
8	INDIGO ...	Quantity	Cwts.	78,004	83,443	90,577	64,514	78,536
		Value	£	2,037,990	2,450,385	2,632,728	1,767,026	2,256,421
		Average value per cwt. ...	Rs.	261-4-3	293-10-7	290-10-7	273-15-0	287-6-11
9	WOOL (Raw and Manufactured)—Value ...		£	1,061,452	1,079,667	939,198	1,049,930	1,007,621
10	WHEAT ...	Quantity	Cwts.	2,155,626	4,839,290	6,206,669	1,035,857	1,814,566
		Value	£	775,554	1,673,400	2,790,304	508,125	918,918
		Average value per cwt. ...	Rs.	3-9-6	3-7-4	4-7-11	4-14-6	5-1-0
11	COFFEE ...	Quantity	Cwts.	164,692	168,552	191,693	201,626	188,080
		Value	£	662,275	722,544	846,358	885,939	833,670
		Average value per cwt. ...	Rs.	40-3-5	42-13-11	44-2-5	43-15-0	44-5-2
12	SILK (Raw and Manufactured)—Value ...		£	531,870	801,388	766,098	607,139	584,575
13	SALTPETRE ...	Quantity	Cwts.	300,501	369,887	311,682	311,091	421,268
		Value	£	254,955	302,734	304,068	296,222	386,482
		Average value per cwt. ...	Rs.	8-7-9	8-2-11	9-12-1	9-8-4	9-2-9
14	TEAK ...	Quantity	C. tons	48,776	35,771	44,153	34,115	30,810
		Value	£	356,332	263,504	311,678	247,752	222,878
		Average value per ton ...	Rs.	73-0-11	73-10-8	70-2-9	72-9-11	72-5-5
15	LAC		£	593,588	425,327	299,599	234,712	220,105
16	SUGAR		£	94,466	425,940	447,616	184,724	156,533

APPENDIX.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE III.—*Sea-borne Trade for the first ten months*—concluded.

No.	IMPORTS.	TEN MONTHS, 1st APRIL TO 31st JANUARY.				
		1875-76.	1876-77.	1877-78.	1878-79.	1879-80.
	COTTON—					
1	Twist and yarn ... Quantity ... ... lbs.	25,923,585	26,724,669	30,872,371	29,736,857	27,309,866
	Twist and yarn ... Value ... ... £	2,286,139	2,230,376	2,425,336	2,480,030	2,248,408
	Twist and yarn ... Average value per lb. ... Rs	0-14-1	0-13-4	0-12-7	0-13-4	0-13-2
	Ditto in sterling average exchange	1s. 7d.	1s. 5d.	1s. 4½d.	1s. 4½d.	1s. 4½d.
	Other manufactures ... Value ... ... £	13,097,382	13,056,417	14,512,524	12,274 502	13,819,200
	TOTAL COTTON GOODS ... £	15,383,521	15,286,793	16,937,860	14,754,532	16,067.608
	Re-exports					
	Twist and yarn ... Quantity ... lbs.	*701,646*	*614,051*	*736,160*	*651,373*	*730,075*
	Twist and yarn ... Value ... £	*50,656*	*43,119*	*49,811*	*44,508*	*47,715*
	Twist and yarn ... Average value per lb. Rs.	*0-11-7*	*0-11-3*	*0-10-10*	*0-10-11*	*0-10-5*
	Other manufactures—Value ... £	*819,803*	*859,708*	*875,357*	*966,712*	*857,852*
	Total Re-exports ... £	*870,459*	*902,827*	*925,168*	*1,011,220*	*905,567*
	TOTAL COTTON GOODS—Net Imports ... £	14,513,062	14,383,966	16,012,692	13,743,312	15,162,041
2	METALS ... ... Value £	2,533,767	2,893,993	3,008,118	2,919,762	2,849,539
3	SILK (Raw and Manufactured) ... „ „	1,126,453	831,428	1,271,782	1,313,747	1,263,602
4	LIQUORS ... ... „ „	1,194,828	1,286,521	1,431,367	1,113,119	1,250,897
5	RAILWAY PLANT AND ROLLING-STOCK ... „ „	931,228	1,013,812	1,227,159	1,249,238	1,104,248
6	WOOLLEN MANUFACTURES ... ... „ „	856,225	823,119	849,529	846,254	901,642
7	PROVISIONS ... ... „ „	560,436	539,059	716,939	834,573	882,062
8	COAL (excluding Coke and Patent Fuel)— Quantity ... ... Tons	262,999	347,716	469,270	377,684	446,226
	COAL (excluding Coke and Patent Fuel)— Value ... ... £	428,858	643,794	764,610	708,320	860,491
	COAL (excluding Coke and Patent Fuel)— Average value per ton Rs.	16-4-10	18-8-2	16-4-8	18-12-1	19-4-6
9	SUGAR ... ... Value £	618,833	349,806	657,043	1,137,030	853,951
10	SALT ... Quantity ... ... Ton	302,897	255,504	217,202	223,565	277,279
	SALT ... Value ... ... £	505,238	363,684	324,628	477,384	611,322
	SALT ... Average value per ton Rs.	16-10-10	14-3-9	14-15-1	21-5-7	22-0-9
11	MACHINERY AND MILL-WORK ... Value £	1,243,685	803,705	724,078	781,963	549,049
12	APPAREL ... ... „ „	548,970	460,767	491,306	464,159	466,922
13	SPICES ... ... „ „	315,656	367,877	389,649	430,862	406,197

TABLE IV.—*Wholesale Prices of typical commodities in Gold and Silver in London and Calcutta in December of each year.*

(*Prices of March 1873=100.*)

IN LONDON—(*prices quoted from the* LONDON ECONOMIST.)	MEASURED IN GOLD.							MEASURED IN SILVER.*						
	1873.	1874.	1875.	1876.	1877.	1878.	1879.	1873.	1874.	1875.	1876.	1877.	1878.	1879.
Scotch Pig Iron (Warrants) ...	91	68	54	49	43	36	55	95	71	58	51	48	44	63
Coals, Hetton, Wallsend (London)	94	90	75	57	55	60	50	97	94	79	59	61	72	57
Copper, Chili Bars	93	93	92	85	74	64	74	96	97	98	90	82	77	85
Straits Tin	79	65	56	52	45	42	62	82	67	60	54	50	50	71
Wheat	112	81	83	91	94	72	85	115	84	88	96	104	87	97
Flour, town-made	111	82	90	82	98	69	86	114	85	96	86	109	83	98
Beef, inferior	125	110	128	98	85	90	85	129	115	136	102	94	108	97
Cotton, No. 40, Mule Twist ...	95	83	86	80	71	61	77	97	88	91	84	78	78	87
Wool, Southdown Hogs ...	96	89	85	80	76	65	71	99	93	91	85	84	78	81
Sugar, Foreign Muscovado ...	92	87	77	113	74	80	95	95	91	82	119	82	96	108
Coffee	124	97	105	101	98	73	83	128	101	111	106	109	88	94
Pepper	126	95	78	69	63	N.	...	109	100	83	73	70	N.	...
Saltpetre	86	80	83	87	98	89	96	86	82	88	92	109	108	110
Gold	...	...	...	...	...	...	...	103	104	106	105	111	120	114
Silver	97	96	94	95	90	83	88	...	...	...	...	...	...	...
IN CALCUTTA (*prices quoted from the* CALCUTTA PRICE CURRENT.)														
Grey Shirtings (8¼ lbs.)								93	84	84	78	73	74	81
Mule Twist, white, good, No. 40 ...								96	91	87	87	75	75	88
„ „ Turkey red, No. 40 (12 lbs.) ...								115	104	94	85	85	78	77
„ „ Orange, No. 40—60 ...								107	93	87	90	83	73	87
Copper, Sheathing								102	100	102	93	83	80	87
Iron, flat, bolt, bar and square ...								115	89	78	68	60	56	76
Spelter, hard								114	118	148	143	130	107	121
Hides, buffalo, slaughtered ...								92	88	75	104	75	69	96
Indigo, good								110	*Nil.*	90	110	86	100	119
Jute, picked								144	137	125	150	147	153	169
Lacdye, fine								87	60	55	69	58	54	73
Shell Lac, fine orange								129	183	119	68	49	56	153
Linseed, fine bold clean								111	110	92	102	106	N.	120
Rice, Ballam								165	153	135	159	168	259	153
Silk, raw, Cossimbazar								80	58	40	98	80	69	87
Sugar, Benares								94	87	87	88	*Nil.*	...	...
Tea, good Souchong								114	123	104	123	100	77	82
Wheat, Doodiah								115	96	78	96	104	109	109
Gold								102	100	102	103	105	109	110

* The values measured in silver in London have been calculated from the values in gold on the basis of the price of standard silver in London.

APPENDIX.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE V.—*Actual CAPITAL EXPENDITURE on STATE RAILWAYS in 1878-79, and estimated Expenditure on such works in 1879-80 and 1880-81, and to the end of 1880-81.*

	1878-79, Accounts.	1879-80, Regular Estimate.	1880-81, Budget-Estimate.	To end of 1880-81.	Sanctioned Estimate.	Balance remaining to be spent.
	£	£	£	£	£	£
East Indian	297,314	58,700	630,000	(a) 38,266,981	...	...
Rajputana	359,296	248,000	172,000	3,545,000	3,267,000	—278,000
Western Rajputana	344,633	681,000	385,000	1,649,000	1,604,000	—45,000
Sindia	211,264	130,000	100,000	893,000	904,000	11,000
Holkar	—73,865	36,000	19,000	1,260,000	1 246,000	—14,000
Neemuch	226,255	278,000	339,000	1,786,000	2,202,000	416,000
Wurdah Coal	11,027	15,000	...	501,000	541,000	40,000
Nagpur and Chattisgarh	106,300	250,000	217,000	593,000	837,000	244,000
Rangoon and Irrawaddy Valley	121,375	40,000	10,000	1,262,000	1,261,000	—1,000
Northern Bengal	386,180	129,000	60,000	2,139,000	1,945,000	—194,000
Tirhoot	20,850	27,000	15,000	565,000	600,000	35,000
Patna and Gya	250,105	73,000	25,000	350,000	404,000	54,000
Nalhati	6,968	—1,000	—1,000	32,000	36,000	4,000
Calcutta and South-Eastern	14,069	—1,000	—2,000	672,000	739,000	67,000
Cawnpore and Furruckabad...	59,715	154,000	68,000	282,000	322,000	40,000
Ghazipur and Dildarnaggar...	2,653	44,000	5,000	55,000	65,000	10,000
Muttra-Hathras...	3,740	1,000	...	110,000	125,000	15,000
Muttra-Achneyra	5,311	...	55,000	60,000	90,000	30,000
Dhond and Manmad	359,469	112,000	100,000	1,124,000	1,350,000	226,000
Indus Valley	816,105	304,000	200,000	6,295,000	7,180,000	885,000
Punjab Northern	369,905	663,000	303,000	4,053,000	3,808,000	—245,000
Fluctuations in Store Balances	—166,725	—243,000	—80,000	155,000	...	—155,000
Reserve	...	...	242,000	242,000	...	—242,000
	3,464,630	2,940,000	2,232,000	27,623,000	28,526,000	903,000
Deduct PRODUCTIVE PUBLIC WORKS OUTLAY included in the above	3,327,888	2,608,000	1,982,000	26,533,000	...	...
Balance ORDINARY OUTLAY ...	136,742	332,000	250,000	1,090,000	...	...
Railways constructed wholly from Ordinary Funds—						
Patri Salt Railway	...	....	...	81,000	90,000	9,000
Frontier Railways chargeable to Army ...	...	1,440,000	2,040,000	3,480,000	...	...
Total ORDINARY ...	136,742	1,772,000	2,290,000	4,651,060	...	...
GRAND TOTAL ...	3,464,630	4,380,000	4,272,000	31,184,000	...	...

(a).—£6,550,000 added on account of premium added to the Capital of the East Indian Railway on the purchase being effected.

APPENDIX.

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TABLE VI.—*Actual Capital Expenditure on works of Irrigation, &c., for which Capital and Revenue Accounts are kept, in 1878-79, and estimated expenditure on such works in 1879-80, 1880-81, and to the end of 1880-81, &c.*

	1878-79 Actuals.	1879-80 Regular Estimates.	1880-81 Budget Estimates.	To end of 1880-81.			Estimated cost (current sanctions).	Balance of current sanctions remaining to be spent.
				Outlay against current sanctions.	Outlay against sanctions that have expired.	Total.		
IRRIGATION AND NAVIGATION PRODUCTIVE PUBLIC WORKS.	£	£	£	£	£	£	£	£
Orissa Canals	56,256	78,000	44,000	1,953,300	...	1,953,300	1,931,000	...
Midnapore Canal	27,817	7,300	15,500	755,800	...	755,800	768,000	12,200
Tidal Canal	...	...	...	177,300	...	177,300	177,000	...
Sone Canals	171,763	139,700	80,500	2,298,500	...	2,298,500	2,736,000	437,500
Ganges Canal	61,798	30,000	59,300	743,825	2,343,275	3,087,100	1,021,000	277,175
Agra „	6,597	5,000	2,500	786,800	...	786,800	801,000	14,200
Lower Ganges Canal	157,693	151,100	133,000	1,688,100	...	1,688,100	2,473,000	784,900
Western Jumna „	79,438	58,100	65,000	462,000	312,000	774,000	722,000	260,000
Bari Doab „	11,376	10,000	5,000	1,509,600	...	1,509,600	1,652,000	142,400
Other projects	233,945	318,200	220,000	...	...	4,955,600	...	...
TOTAL ...	806,638	797,400	630,000	...	...	17,986,100	...	...
Deduct Ordinary outlay on Productive Public Works included above.	11,984	...	...	...	...	5,306,300	...	...
NET TOTAL ...	794,654	797,400	630,000	...	...	12,679,800	...	...
IRRIGATION AND NAVIGATION WORKS. (*Not classed as Productive Public Works*).								
Eastern Jumna Canal	1,511	9,700	10,000	69,000	204,000	273,000	139,000	70,000
Other projects	105,653	134,600	95,800	...	...	2,294,900	...	...
Ordinary outlay on Productive Public Works ...	11,984	...	...	...	...	5,306,300	...	...
TOTAL ...	119,148	144,300	105,800	...	...	7,874,200	...	...
Deduct Outlay against the grant for Productive Public Works or works not admitted to the category of Productive Public Works	—3	...	...	...	...	255,200	...	...
NET TOTAL ...	119,151	144,300	105,800	...	...	7,619,000	...	...
GRAND TOTAL ...	913,805	941,700	735,800	...	...	20,298,800	...	...

APPENDIX.

Commercial and Financial Statistics.

Table VII.—*Gross earnings, Working expenses and net traffic earnings of Guaranteed and State Railways to end of 1878-79, with Regular Estimates for 1879-80 and Budget-Estimates for 1880-81.*

	Actuals.					Regular Estimates, 1879-80.	Budget-Estimates, 1880-81.
	1874-75.	1875-76.	1876-77.	1877-78.	1878-79.		
Guaranteed Railways.							
Open mileage at beginning of year	4,057	4,093	4,308	4,495	4,532	4,541	4,562
Gross Earnings.	£	£	£	£	£	£	£
Eastern Bengal	365,956	323,889	376,650	507,641	439,042	460,000	470,000
Madras	591,955	644,832	806,164	930,759	648,613	675,000	675,000
South Indian	97,401	129,578	221,266	335,118	318,431	350,000	370,000
Bombay, Baroda and Central India	603,398	646,577	704,747	786,775	698,533	700,000	780,000
Great Indian Peninsula	2,052,012	2,103,264	2,679,511	3,270,167	2,719,740	2,450,000	2,750,000
Oudh and Rohilkhund	226,694	288,164	369,638	487,013	493,685	400,000	480,000
Sind, Punjab and Delhi	680,318	697,041	833,540	1,014,304	909,398	1,100,000	1,000,000
Total	4,617,734	4,833,345	5,991,516	7,281,777	6,223,337	6,135,000	6,525,000
Working Expenses.							
Eastern Bengal	205,462	206,842	272,357	206,690	198,847	220,000	215,000
Madras	397,268	454,362	575,576	600,831	484,080	450,000	450,000
South Indian	56,101	56,795	118,537	186,407	235,098	265,000	240,000
Bombay, Baroda and Central India	304,545	372,720	366,380	311,786	325,578	330,000	350,000
Great Indian Peninsula	1,143,102	1,001,679	1,235,797	1,567,671	1,447,744	1,480,000	1,500,000
Oudh and Rohilkhund	141,082	175,733	216,565	238,022	257,360	260,000	275,000
Sind, Punjab and Delhi	439,748	452,104	549,777	582,259	584,383	700,000	600,000
Total	2,687,308	2,720,235	3,134,989	3,687,666	3,532,590	3,705,000	3,630,000
Net Traffic Earnings.							
Eastern Bengal	160,494	117,047	204,293	306,951	241,595	240,000	255,000
Madras	194,687	190,470	330,588	329,928	159,533	225,000	225,000
South Indian	41,300	72,783	102,729	148,711	83,333	85,000	130,000
Bombay, Baroda and Central India	298,853	273,857	338,367	474,989	372,955	370,000	430,000
Great Indian Peninsula	908,910	1,101,585	1,443,714	1,702,496	1,271,996	970,000	1,250,000
Oudh and Rohilkhund	85,612	112,431	153,073	248,991	236,325	140,000	205,000
Sind, Punjab and Delhi	240,570	244,937	283,763	432,045	325,010	400,000	400,000
Total	1,930,426	2,113,110	2,856,527	3,694,111	2,690,747	2,430,000	2,895,000
State Railways. *East Indian.*							
Open mileage at beginning of year	1,503	1,503	1,503	1,503	1,503	1,503	1,503
Gross Earnings	3,451,465	3,011,412	3,818,147	4,362,133	4,052,536	4,250,000	4,250,000
Working Expenses	1,317,081	1,140,861	1,313,676	1,395,692	1,465,990	1,500,000	1,500,000
Net Traffic Earnings	2,134,384	1,870,551	2,504,471	2,966,441	2,586,546	2,750,000	2,750,000
Other State Railways.							
Open mileage at beginning of year	221	485	633	806	1,287	2,014	2,493
Gross Earnings.							
Rajputana and Western Rajputana (Northern Section)	93,819	203,102	239,349	261,484	330,077	382,500	450,000
Western Rajputana (Southern Section)	...	...	...	...		15,000	55,000
Holkar and Neemuch	16,702	38,349	39,272	62,666	93,511	122,500	152,500
Sindia	...	...	...	1,319	10,812	11,500	20,000
Wurdah Coal	2,112	2,936	3,685	10,639	11,373	32,000	55,000
Punjab Northern	...	22,657	50,154	76,412	108,400	195,000	240,000
Indus Valley	...	...	...	...	113,921	370,000	450,000
Dhond and Manmad	...	...	...	...	25,041	50,000	67,000
Nagpur and Chattisgarh	...	...	...	...	...	...	10,000
Rangoon and Irrawaddy Valley	...	...	...	62,876	97,561	100,000	120,000
Patna and Gya	...	...	...	...	...	33,000	40,000
Northern Bengal	...	...	...	17,111	109,289	140,000	160,000
Tirhoot	...	4,804	21,358	34,324	44,981	45,000	47,500
Calcutta and South-Eastern	9,861	10,486	9,775	12,616	12,509	13,000	13,500
Nalhati	8,402	7,173	8,098	9,130	8,531	9,000	9,000
Cawnpore and Furruckabad	...	...	...	...	...	...	11,000
Hattras-Muttra	...	...	8,977	9,363	10,822	12,500	12,500
Ghazipore and Dildarnagur	...	...	...	...	...	...	4,000
	130,986	289,512	380,668	557,890	976,828	1,531,000	1,917,000
Working Expenses.							
Rajputana and Western Rajputana (Northern Section)	57,836	119,638	159,082	184,831	203,816	230,000	275,000
Western Rajputana (Southern Section)	...	...	...	...		15,000	50,000
Holkar and Neemuch	11,078	35,715	39,047	39,319	67,903	92,500	102,500
Sindia	...	...	...	2,137	12,734	14,000	18,500
Wurdah Coal	2,403	3,150	3,658	7,043	11,704	29,500	27,500
Punjab Northern	...	13,737	45,958	70,499	86,506	160,000	160,000
Indus Valley	...	...	...	...	109,861	300,000	350,000
Dhond and Manmad	...	...	...	...	24,569	50,000	57,000
Nagpur and Chattisgarh	...	...	...	...	...	...	10,000
Rangoon and Irrawaddy Valley	...	...	...	59,994	92,561	80,000	80,000
Patna and Gya	...	...	...	...	...	19,000	20,000
Northern Bengal	...	...	...	16,402	89,573	120,000	110,000
Tirhoot	...	4,006	14,189	23,572	32,993	34,000	27,500
Calcutta and South-Eastern	7,320	9,303	12,820	8,226	−1,748	9,000	9,500
Nalhati	7,367	7,936	8,315	8,732	4,479	6,500	7,000
Cawnpore and Furruckabad	...	...	...	...	...	...	7,000
Hattras-Muttra	...	...	4,919	5,251	5,996	6,700	6,500
Ghazipore and Dildarnagur	...	...	...	...	...	...	3,000
	86,004	193,485	287,988	426,006	749,347	1,166,200	1,321,000
Net Traffic Earnings.							
Rajputana and Western Rajputana (Northern Section)	35,983	83,464	80,267	76,603	126,261	152,500	175,000
Western Rajputana (Southern Section)	...	...	...	...		...	5,000
Holkar and Neemuch	5,624	2,634	225	23,347	25,608	30,000	50,000
Sindia	...	...	...	−818	−1,922	−2,500	1,500
Wurdah Coal	−291	−214	27	3,596	269	2,500	27,500
Punjab Northern	...	8,920	4,196	5,913	21,894	35,000	80,000
Indus Valley	...	...	...	...	4,060	70,000	100,000
Dhond and Manmad	...	...	...	...	472	...	10,000
Nagpur and Chattisgarh	...	...	...	...	...	...	...
Rangoon and Irrawaddy Valley	...	...	...	2,882	5,000	20,000	40,000
Patna and Gya	...	...	...	...	...	14,000	20,000
Northern Bengal	...	...	...	709	19,716	20,000	50,000
Tirhoot	...	798	7,169	10,752	11,988	11,800	20,000
Calcutta and South-Eastern	2,541	1,133	−3,045	4,390	14,257	4,000	4,000
Nalhati	1,125	−758	−217	398	4,052	2,500	2,000
Cawnpore and Furruckabad	...	...	...	...	...	...	4,000
Hattras-Muttra	...	...	4,058	4,112	4,826	5,800	6,000
Ghazipore and Dildarnagur	...	...	...	...	...	...	1,000
	44,982	96,027	92,680	131,884	236,481	364,800	596,000

APPENDIX.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE VIII.—*Gross earnings, Working expenses and net earnings of works of Irrigation, &c., for which Capital and Revenue Accounts are kept, to end of 1878-79, with Regular Estimates for 1879-80 and Budget-Estimates for 1880-81.*

	Actuals.					Regular Estimates, 1879-80.	Budget-Estimates, 1880-81.
	1874-75.	1875-76.	1876-77.	1877-78.	1878-79.		
IRRIGATION AND NAVIGATION PRODUCTIVE PUBLIC WORKS.	£	£	£	£	£	£	£
Gross direct Revenue.							
Orissa Canals	4,848	4,549	7,456	16,110	18,200	27,000	28,500
Midnapore Canal	11,622	11,111	13,699	17,009	17,071	22,100	26,000
Tidal Canal	5,289	2,293	4,503	6,228	6,079	6,100	6,100
Sone Canals	...	5,090	7,318	10,130	43,763	51,500	56,000
Ganges Canal	201,988	212,882	220,154	250,453	261,114	271,500	245,000
Agra „	55	3,709	8,952	21,467	42,633	35,900	43,500
Lower Ganges Canal	...	...	...	...	...	9,100	18,000
Western Jumna „	91,290	100,872	87,813	99,210	118,056	117,400	114,000
Bari Doab „	64,668	77,189	59,270	56,903	80,606	98,400	108,400
Other projects	10,462	11,984	16,036	25,372	25,748	27,900	35,100
TOTAL	390,222	429,679	425,201	502,882	613,270	666,900	680,600
Indirect Revenue.							
Ganges Canal	41,915	62,580	64,279	72,290	67,181	66,900	66,900
Agra „	...	...	...	4,509	...	...	...
Western Jumna Canal	37,256	40,128	38,595	37,376	10,937	21,700	11,700
Bari Doab „	14,625	16,653	4,679	11,903	17,738	14,700	10,000
Other projects	24,291	20,345	25,966	27,789	31,078	606,200	614,000
TOTAL	118,087	139,706	133,517	153,867	126,934	709,500	702,600
Total Direct and Indirect Revenue.							
Orissa Canals	4,848	4,549	7,456	16,110	18,200	27,000	28,500
Midnapore Canal	11,622	11,111	13,699	17,009	17,071	22,100	26,000
Tidal Canal	5,289	2,293	4,503	6,228	6,079	6,100	6,100
Sone Canals	...	5,090	7,318	10,130	43,763	51,500	56,000
Ganges Canal	243,903	275,462	284,433	322,743	328,295	338,400	311,900
Agra „	55	3,709	8,952	25,976	42,633	35,900	43,500
Lower Ganges Canal	...	...	...	...	...	9,100	18,000
Western Jumna Canal	128,546	141,000	126,406	136,586	128,993	139,100	125,700
Bari Doab „	79,293	93,842	63,949	68,806	98,344	113,100	118,400
Other projects	34,753	32,329	42,002	53,161	56,826	634,100	649,100
TOTAL	508,309	569,385	558,718	656,749	740,204	1,376,400	1,383,200
Working Expenses.							
Orissa Canals	19,643	20,762	21,466	21,607	23,909	25,100	29,700
Midnapore Canal	13,043	16,740	17,128	20,382	17,283	12,900	12,900
Tidal Canal	3,453	3,904	1,243	3,056	2,318	2,700	2,400
Sone Canals	...	11,543	19,959	25,241	37,051	41,300	32,800
Ganges Canal	97,323	105,462	105,040	97,870	96,991	102,100	94,600
Agra „	4,576	8,319	17,613	15,792	18,859	19,700	20,100
Lower Ganges Canal	...	...	...	...	450	9,100	21,100
Western Jumna „	33,874	37,516	38,937	41,873	51,436	48,100	40,100
Bari Doab „	33,746	48,094	55,365	52,398	41,543	46,500	46,700
Other projects	41,837	98,418	92,605	86,239	91,710	106,300	92,600
TOTAL	247,495	350,758	363,356	364,458	381,550	411,800	393,000
Net Revenue.							
Orissa Canals	−14,795	−16,213	−14,010	−5,497	−5,709	1,900	−1,200
Midnapore Canal	−1,421	−5,629	−3,429	−3,373	−212	9,200	13,100
Tidal Canal	1,836	−1,611	3,260	3,172	3,761	3,400	3,700
Sone Canals	...	−6,453	−2,(	−15,111	6,712	10,200	23,200
Ganges Canal	146,580	170,000	9,393	224,873	231,304	236,300	217,300
Agra „	−4,521	−4,610	−2,661	10,184	23,774	16,200	23,400
Lower Ganges Canal	...	...	...	...	−,450	...	−3,100
Western Jumna Canal	94,672	103,484	87,469	94,713	77,557	93,000	85,600
Bari Doab Canal	45,547	45,748	8,584	16,408	56,801	66,600	71,700
Other projects	−7,084	−66,089	−50,603	−33,078	−34,884	527,800	556,500
TOTAL	260,814	218,627	195,362	292,291	358,654	964,600	990,200
IRRIGATION AND NAVIGATION WORKS. *(Not classed as Productive Public Works.)*							
Gross direct Revenue.							
Eastern Jumna Canal	61,111	59,249	56,541	57,563	63,198	72,900	60,300
Other projects	22,471	20,053	29,596	19,353	23,908	29,300	30,200
TOTAL	83,582	79,302	86,137	76,916	87,106	102,200	90,500
Indirect Revenue.							
Eastern Jumna Canal	16,989	22,152	22,153	22,680	22,153	22,200	22,200
Other projects	95,825	131,608	123,480	125,987	134,131	187,000	222,900
TOTAL	112,814	153,760	145,633	148,667	156,284	209,200	245,100
Total Direct and Indirect Revenue.							
Eastern Jumna Canal	78,100	81,401	78,694	80,243	85,351	95,100	82,500
Other projects	118,296	151,661	153,076	145,340	158,039	216,300	253,100
TOTAL	196,396	233,062	231,770	225,583	243,390	311,400	335,600
Working Expenses.							
Eastern Jumna Canal	20,171	23,027	21,474	20,357	20,415	18,700	19,600
Other projects	95,933	108,947	108,489	109,822	95,925	91,500	94,300
TOTAL	116,104	131,974	129,963	130,179	116,340	110,200	113,900
Net Revenue.							
Eastern Jumna Canal	57,929	58,374	57,220	59,886	64,936	76,400	62,900
Other projects	22,363	42,714	44,587	35,518	62,114	124,80	158,800
TOTAL	80,292	101,088	101,807	95,404	127,050	201,200	221,700

APPENDIX.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE IX.—*Statement shewing the true Financial results to the revenues of India of the guarantee of interest upon the Capital of the Guaranteed Railway Companies excluding the East Indian Railway Company.*

	1873-74.	1874-75.	1875-76.	1876-77.	1877-78.	1878-79.	1879-80. Original Estimate.	1879-80. Regular Estimate.	1880-81, Estimate.
Open mileage to end of official year	4,057	4,093	4,308	4,495	4,532	4,541	4,562	4,562	4,585
	£	£	£	£	£	£	£	£	£
Gross earnings	4,907,145	5,104,172	5,782,089	6,757,875	8,484,612	7,393,807	7,025,000	7,315,000	7,500,000
Working expenses ...	3,315,350	3,123,810	3,321,800	4,108,412	4,835,455	4,658,483	4,240,000	4,895,000	4,675,000
Percentage of working expenses on earnings ...	67·56	61·20	57·45	60·79	56·99	63·01	60·36	66·92	62·33
Net traffic earnings ...	1,591,795	1,980,362	2,460,289	2,649,463	3,649,157	2,735,324	2,785,000	2,420,000	2,825,000
Net gain by the remittance to England of Capital receipts and disbursements in India at the contract rates of exchange instead of at the average yearly rate obtained for the Secretary of State's Bills	35,776	65,901	19,257	...	...	...	8,900		
Total revenue ...	1,627,571	2,046,263	2,479,546	2,649,463	3,649,157	2,735,324	2,874,000	2,420,000	2,825,000
Gross Guaranteed Interest—									
Paid in India	26,185	24,453	22,001	14,544	13,463	10,486	10,000	9,400	9,000
Paid in London* ...	3,092,385	3,125,524	3,142,253	3,157,152	3,157,301	3,200,335	3,256,000	3,259,000	3,257,000
Total guaranteed interest (sterling payments converted at the average exchange of the year)	3,351,330	3,403,397	3,505,652	3,911,444	3,659,307	3,866,311	3,126,000	3,922,000	3,919,000
Surplus paid to Railway Companies	...	11,424	86,674	79,735	243,438	294,716	360,000	94,900	345,000
Land and supervision ..	140,488	45,088	83,176	40,756	48,414	45,777	65,700	52,900	56,050
Interest on revenue balances ...	12,723	15,461	19,912	15,918	1,991	1,525	1,600	2,400	1,600
Net loss on receipts and disbursements of Capital in India calculated in the same way as the gain	...	...	...	9,544	7,018	63,044	...	58,000	8,000
Total expenditure ...	3,504,536	3,475,370	3,695,414	4,057,397	3,960,168	4,271,373	4,493,300	4,130,200	4,329,650
Net expenditure from the public treasury	1,876,965	1,429,107	1,215,868	1,407,934	311,011	1,536,049	1,619,300	1,710,200	1,504,650
Net revenue	....	...	...	...	...				

* With the exception of the figures in this line which are true sterling figures, all the amounts in this table are in rupees converted into the conventional sterling of the accounts by the removal of one digit to the right.

STATEMENTS.

NET REVENUE, EXCLUSIVE OF REVENUE FROM LOCAL FUNDS, 1868-69 TO 1880-81.

Revenue.	1868-69.	1869-70.	1870-71.	1871-72.	1872-73.	1873-74.	1874-75.	1875-76.	1876-77.	1877-78.	1878-79.	1879-80.	1880-81.
	£	£	£	£	£	£	£	£	£	£	£	£	£
I & 4.—Land Revenue (omitting *Capitation Tax*) ...	18,874,663	20,168,629	19,786,907	19,723,595	20,467,637	20,130,196	20,397,492	20,553,900	18,936,197	19,127,719	21,543,554	21,379,600	21,149,100
I.—Capitation Tax	217,175	221,395	204,363	203,647	212,442	221,829	228,364	222,440	235,707	241,065	252,237	253,300	253,300
III & 5.—Forest	145,326	153,144	71,251	140,155	166,003	227,831	157,615	267,115	160,730	240,039	142,556	133,300	153,600
IV—VII & 6—9.—Excise including *Customs* duties on imported wines and spirits ...	2,261,696	2,274,908	2,306,196	2,468,611	2,434,397	2,438,644	2,520,895	2,695,118	2,731,532	2,685,302	2,857,030	3,017,000	3,002,500
V & 7.—Assessed Taxes ...	446,493	1,025,799	1,996,755	772,569	560,671	15,388	2,336	343	—63	81,457	837,312	731,600	500,600
VI & 8.—Provincial Rates ...	...	...	...	...	...	...	...	...	...	234,847	432,808	494,900	568,600
VII.—Sugar duties (Inland) ...	131,359	134,719	156,247	196,835	166,980	180,353	157,715	155,206	172,493	134,317	...	...	...
VII & 9.—Customs duties on export ...	552,172	435,938	596,882	634,443	748,305	675,096	618,916	687,949	556,106	513,304	573,804	591,300	592,600
VII & 9.—Other duties of *Customs* on imports ...	1,461,470	1,312,818	1,371,170	1,276,721	1,243,289	1,271,731	1,379,521	1,339,605	1,193,379	1,375,462	1,154,982	1,007,300	981,600
VIII & 10.—Salt	5,176,427	5,462,016	5,685,259	5,455,690	5,727,145	5,711,059	5,805,262	5,772,218	5,855,707	5,949,940	6,503,031	6,948,500	7,138,400
IX & 11.—Opium	6,731,295	6,130,845	6,031,034	7,657,187	6,870,415	6,323,395	6,214,782	6,252,026	6,280,781	6,521,337	7,699,032	8,398,400	7,241,900
X & 12.—Stamps	2,149,905	2,224,928	2,349,873	2,341,282	2,481,652	2,575,644	2,597,011	2,692,418	2,706,802	2,856,994	2,959,819	3,054,400	3,053,000
XI & 13.—Registration ...	38,772	57,722	42,021	46,032	59,899	60,148	52,712	47,987	49,959	78,695	105,559	100,000	99,000
XII & 14.—Mints	78,223	56,150	—32,859	11,830	—30,492	—9,685	27,928	2,863	128,253	311,776	68,344	150,000	85,000
Total Net Revenue ...	38 264,976	39,659,011	40,565,099	40,928,597	41,108,343	39,821,629	40,160,549	40,689,186	39,007,583	40,352,254	45,130,048	46,259,600	44,819,200
Deduct—													
27.—Allowances and Assignments	*1,778,358*	*1,863,615*	*1,756,973*	*1,724,510*	*1,834,140*	*1,921,700*	*1,808,368*	*1,783,724*	*1,742,543*	*1,717,616*	*1,826,484*	*1,900,000*	*1,846,000*
Less *II.—Tributes*	*687,363*	*765,126*	*719,421*	*744,036*	*741,465*	*768,544*	*724,972*	*726,188*	*694,934*	*675,120*	*703,660*	*714,000*	*698,000*
Net deductions ...	1,090,995	1,098,489	1,037,552	980,474	1,092,675	1,153,156	1,083,396	1,057,536	1,047,609	1,042,496	1,122,824	1,186,000	1,148,000
Net British Indian Revenue	37,173,981	38,560,522	39,527,547	39,948,123	40,015,668	38,668,473	39,077,153	39,631,650	37,959,974	39,309,758	44,007,224	45,073,600	43,671,200

Comparative Analysis of the whole Net Expenditure 1868-69 to 1880-81. (The transactions of

	1868-69.	1869-70.	1870-71.	1871-72.	1872-73.
4.—*Land Revenue* (except Surveys), Settlements and Charges of collection, which are treated as sets-off to *I, Land Revenue*	£ 1,948,131	£ 1,874,682	£ 1,863,827	£ 1,881,999	£ 1,863,489
15 & XIII.—Post Office	—14,476	—23,215	—17,518	—132,365	137,748
17.—Administration	1,441,277	1,469,194	1,360,171	1,367,665	1,371,762
18 & XV.—Minor Departments ...	266,827	266,538	226,351	281,017	359,808
19 & XVI.— *Jails* and *Penal Settlements*...	447,457	496,601	563,313	440,973	495,000
19 & XVI.— Other charges under *Law and Justice*	1,511,574	1,681,632	1,771,181	1,869,816	1,777,853
20 & XVII.—Police...	2,190,743	2,138,925	2,005,380	2,028,724	2,030,341
21 & XVIII.—Marine	456,023	(c) 668,160	426,966	379,288	356,143
22 & XIX.—Education	533,438	553,613	563,460	551,228	559,150
23.—Ecclesiastical	163,590	161,083	153,544	157,928	156,539
24 & XX.—Medical	414,064	486,580	572,856	486,511	534,208
25 & XXI.—Stationery and Printing ...	331,265	296,960	384,302	280,690	273,735
26.—Political	352,831	418,087	356,711	315,410	390,816
30 & XXIV.—Miscellaneous	(a) 187,573	162,343	169,686	35,650	(e) 31,748
NET CIVIL EFFECTIVE CHARGES ...	10,230,317	10,651,183	10,400,230	9,935,534	10,338,340
1, 2 & XXII.—Interest	5,413,032	5,248,483	5,499,156	5,604,099	5,350,110
28.—Civil Furlough and *Absentee Allowances*	122,461	157,918	175,068	173,028	156,059
29 & XXIII.—Superannuations. (No credit taken for transfers from Military Funds)	(b) 1,057,922	(d) 994,158	1,121,318	1,102,103	1,241,680
NET CIVIL NON-EFFECTIVE CHARGES ...	6,593,415	6,400,559	6,795,542	6,879,230	6,747,849
37 & XXX.—Loss by Exchange ...	132,139	142,555	663,865	380,142	694,845
31.—Famine	...	73,649	...	...	...
FAMINE AND LOSS BY EXCHANGE	132,139	216,204	663,865	380,142	694,845
16 & XIV.—Telegraphs	410,597	296,266	260,037	222,234	233,747
32.—Railways—Expenditure ...	*4,331,965*	*4,485,720*	*4,503,074*	*4,671,201*	*4,869,757*
XXV.— Do. Revenue ...	*2,333,265*	*2,818,773*	*2,870,438*	*3,143,077*	*2,880,469*
Net *Railways* ...	1,998,700	1,666,947	1,632,636	1,528,124	1,989,288
33, 34.—Irrigation and Navigation and *Other Public Works.* Expenditure	*6,346,847*	*5,039,981*	*4,056,669*	*3,925,298*	*4,244,198*
XXVI & XXVII.—Ditto Revenue ...	*560,834*	*703,948*	*604,745*	*597,610*	*613,436*
Net *Irrigation and Navigation* and *Other Public Works* ...	5,786,013	4,336,033	3,451,924	3,327,688	3,630,762
NET EXPENDITURE ON PUBLIC WORKS, INCLUDING RAILWAYS, CANALS AND TELEGRAPHS. ...	8,195,310	6,299,246	5,344,597	5,078,046	5,853,797
36 & XXIX.—The Army	15,136,593	15,250,779	15,112,651	14,733,692	14,596,802
GRAND TOTAL ...	**40,287,774**	**38,817,971**	**38,316,885**	**37,006,644**	**38,231,633**
GRAND TOTAL, EXCLUDING LOSS BY EXCHANGE AND FAMINE RELIEF	*40,155,635*	*38,601,767*	*37,653,020*	*36,626,502*	*37,536,788*

Exclusive of—

(a) a credit of 276,340*l*.—Securities confiscated in the mutiny.
(b) an arrear charge of 328,374*l* for Military Fund Pensions.
(c) a special charge of 320,046*l*., being certain debit balances of Marine Funds written off in the Bengal Accounts
(d) 451,211*l*. balances of Police Superannuation Fund credited this year.
(e) 163,318*l*. awarded by the Privy Council to the representatives of the late D. O. Dyce Sombre.

* 341,516*l*. saved in 1874-75 and 108,484*l*. more in 1875-76 making 450,000*l*

Local Funds, and the special items at foot are excluded, because they disturb the comparisons

1873-74.	1874-75.	1875-76.	1876-77.	1877-78.	1878-79.	Regular Estimate, 1879-80.	Budget, 1880-81.
£	£	£	£	£	£	£	£
1,863,083	1,853,917	1,891,900	1,882,576	1,929,263	1,934,260	1,880,800	2,008,000
143,936	104,680	84,893	66,468	58,148	64,576	107,100	74,400
1,373,708	1,349,371	1,411,067	1,474,095	1,473,764	1,478,193	1,474,800	1,454,000
326,933	326,208	332,154	297,787	262,167	253,939	251,200	336,900
516,589	531,160	547,760	548,581	578,460	693,398	689,800	621,500
1,859,232	1,924,954	1,966,481	2,035,122	2,027,409	2,004,633	1,989,100	2,098,500
2,021,214	2,031,077	2,056,090	2,104,355	2,085,350	2,013,698	2,058,200	2,051,600
298,544	297,035	398,800	466,975	310,892	298,839	352,200	342,200
600,300	605,840	642,439	630,137	634,797	613,546	607,800	610,300
163,677	165,930	161,988	163,866	158,039	155,200	156,000	159,000
550,305	564,479	582,373	569,608	583,191	555,491	537,800	570,600
302,648	368,885	393,644	395,480	392,355	424,105	389,800	435,700
366,209	404,223	429,535	505,228	468,975	448,734	470,900	435,900
—133,567	—*30,435*	12,114	—*33,414*	—*1,303*	49,342	71,000	56,700
10,252,811	10,497,324	10,911,238	11,106,864	10,961,507	10,987,954	11,036,500	11,255,300
5,329,512	4,859,642*	4,993,694	5,262,975	5,568,036	5,736,428	5,716,900	5,491,800
258,464	216,704	229,199	235,990	237,362	231,561	220,000	233,000
1,191,587	(*f*) 1,443,506	1,603,791	1,474,597	1,543,192	1,675,217	1,788,300	1,632,300
6,779,563	6,519,852	6,826,684	6,973,562	7,348,590	7,643,206	7,725,200	7,357,100
882,718	785,820	1,355,861	2,059,311	1,554,922	3,225,831	2,864,000	3174,000
3,864,673	2,237,860	508,554	2,145,431	5,345,775	313,420	99,000	5,000
4,747,391	3,023,680	1,864,415	4,204,742	6,900,697	3,539,251	2,963,000	3,179,000
161,199	145,630	184,120	131,900	102,716	99,227	6,000	—19,000
4,927,061	*5,275,109*	*5,144,230*	*5,306,520*	*5,941,823*	*6,561,827*	(*h*) *6,987,000*	(*h*) *6,521,000*
3,656,335	*4,262,550*	*4,549,722*	*5,459,332*	*7,141,987*	*6,178,134*	*6,701,000*	*7,545,000*
1,270,726	1,012,559	594,508	—152,812	—1,200,164	383,693	286,000	—1,024,000
4,552,263	*3,964,555*	*4,682,225*	*4,065,407*	*4,031,978*	*4,206,608*	*4,220,700*	*4,155,800*
700,322	*637,982*	*647,123*	*718,544*	*866,681*	*1,235,609*	*1,251,900*	*1,229,900*
3,851,941	3,326,573	4,035,102	3,346,863	3,165,297	2,970,999	2,968,800	2,925,900
5,283,866	4,484,762	4,813,730	3,325,951	2,067,849	3,453,919	3,260,800	1,882,900
14,217,390	14,386,321	14,262,848	14,866,639	15,769,780	(*i*) 15,441,272	(*k*) 15,487,000	(*k*) 15,330,000
41,281,021	**38,911,939**	**38,678,915**	**40,477,758**	**43,048,423**	**41,065,602**	**40,472,500**	**39,004,300**
36,533,630	*35,888,259*	*36,814,500*	*36,273,016*	*36,147,726*	*37,526,351*	*37,509,500*	*35,825,300*

Exclusive of—
(*f*) 3,051,918*l*. the balance of the Civil Service Annuity Fund credited this year.
(*g*) 676,381*l*. Afghán War charges.
(*h*) 230,000*l*. spent, each year, on the Rawalpindí-Jhelum Line, treated as war charges.
(*i*) 4,656,000*l*. Afghán War charges.
(*k*) 4,130,000*l*. ditto ditto.
in all, by the redemption of the Capital Stock of the East Indian Company.

GOVERNMENT OF INDIA.

FINANCIAL DEPARTMENT.

FINANCIAL STATEMENTS

FOR

1881-82.

CALCUTTA:

OFFICE OF THE SUPERINTENDENT OF GOVERNMENT PRINTING.

1881.

FINANCIAL STATEMENT BY THE HON'BLE E. BARING.

Explanatory Notes.

1. *The figures in this Statement are given in pounds, rupees being converted into pounds at the conventional rate of £1 = Rs. 10. In those cases where the pounds are true sterling the fact is expressly mentioned. Wherever the true sterling as well as the conventional sterling figure is given the conversion has been made at the rate of 1s. 8d. the rupee.*

2. *The explanations are throughout given on the figures as arranged in Appendix II, in which the revenue derived from Productive Public Works is shown separately from other heads of revenue, and the "Working Expenses and Interest" on Productive Public Works are shown separately from other expenditure.*

Preliminary.

1. As no measures will be submitted to the Legislative Council in connection with the finances of the year 1881-82 the Financial Statement takes the form of a written minute.

I.—Accounts of 1879-80.

Accounts of 1879-80.

2. The Regular Estimates for the year 1879-80 were as follows:—

	£
Revenue	67,583,000
Expenditure	67,464,000
Surplus ...	119,000

The Accounts show the following result:—

	£
Revenue	68,485,000
Expenditure	69,668,000
Deficit ...	1,183,000

Excess Revenue.

3. The revenue, therefore, exceeded the Regular Estimate by £902,000. Of this excess £357,000 was due to increased receipts from Productive Public Works.

Excess Expenditure.

4. The expenditure exceeded the Regular Estimate by £2,204,000. The excess was almost wholly due to the war.

Net result including War Expenditure.

5. The net result was worse than the anticipations formed at the time the Regular Estimate was framed by £1,302,000.

Net War Expenditure.

6. The total amount of net war expenditure which figures in the Accounts of 1879-80, including that on the Punjab Northern and Frontier Railways, is £6,125,000.

Net result excluding War Expenditure.

7. Of this sum of £6,125,000 the Local Governments contributed £335,000. Excluding this contribution, the Imperial revenue would, but for the war, have exceeded the Imperial expenditure by £4,607,000. This result is satisfactory.

	£	£
Revenue		68,485,000
Ordinary expenditure	69,668,000	
Deduct war expenditure (less contributions of Local Governments)	5,790,000	
		63,878,000
Surplus ...		4,607,000

8. The capital expenditure on *Productive Public Works* was £3,364,000, being £126,000 less than the Regular Estimate (£3,490,000). £599,000 was spent on Irrigation Works, £2,680,000 on State Railways, and £85,000 on the Madras Harbour Works.

Capital expenditure on Productive Public Works.

9. A sum of £9,731,000 also figures in the Accounts under the head of *Productive Public Works, East Indian Railway.* This is part of the price paid for the East Indian Railway.

II.—War Expenditure.

War Expenditure.

10. Before proceeding any further it will be convenient to deal with the question of war expenditure.

Budget Estimate, 1880-81.

11. In February 1880 the total net cost of the war, excluding *Frontier Railways,* was estimated at £5,752,000 (true sterling £4,793,000).

Revised Estimate, June 1880.

12. In June the war was estimated to cost £15,000,000 (true sterling £12,500,000) net.

Revised Estimate, October 1880.

13. In October a revised estimate was framed, based on the assumption that the evacuation of Southern Afghanistan would be complete by the end of March, and that no war expenditure would be incurred subsequently. This estimate amounted to £15,777,000 (true sterling £13,148,000) net.

Regular Estimate, 1880-81.

14. It is now estimated that the net cost of the war up to the end of 1880-81 will be £16,605,000 (true sterling £13,837,000) net. This is exclusive of a sum of £270,000 for compensation to camel-owners and to the native cavalry on account of horses, which was included in the October estimate. This sum will not be paid till 1881-82.

Budget Estimate, 1881-82.

15. In the Budget Estimate for 1881-82 war expenditure has been taken at £2,210,000 (true sterling £1,842,000) net, being £1,940,000 for the expenditure belonging to the year, and £270,000 remaining unpaid from 1880-81. Experience has shown the untrustworthy nature of any estimate of war expenditure that can be framed. £2,210,000 is merely the sum which it has been thought advisable to provide as ways and means for the year on the assumption that the evacuation of Southern Afghanistan will be complete by the end of May. I offer at this stage no actual estimate of the remaining cost of the war.

Cost of war exclusive of Frontier Railways.

16. Supposing, however, that this sum of £2,210,000 is spent, the war, exclusive of *Frontier Railways,* may at present be estimated to cost £18,815,000 (true sterling £15,680,000) net.

Cost of Frontier Railways.

17. The known and estimated net expenditure on *Frontier Railways* is £4,477,000 (true sterling £3,730,000).

Net cost of war including Frontier Railways.

18. Including this sum, and deducting £680,000 (true sterling £567,000), being the estimated gain from the war under *Railways* and *Telegraphs,* the total net war expenditure is at present estimated at £22,612,000 (true sterling £18,843,000). This is exclusive of a sum of £1,019,000 (true sterling £849,000) spent on the Punjab Northern State Railway, which was hurried on by reason of the war, and the expenditure on which, although the work was originally classed as productive, has been charged against revenue.

English contribution.

19. The English Treasury will contribute a sum of £5,000,000 sterling towards the cost of the war, that is to say, the debt of £2,000,000 sterling due by India to the Home Treasury will be written off, and an annuity of £500,000 sterling paid to the Home Treasury of the Government of India for six years. The whole of this £5,000,000 will be applied to the reduction of sterling debt.

There will, therefore, eventually be a permanent reduction in the home liabilities on account of interest on sterling debt; but the payment of the capital of the English contribution will not affect the amount of the Secretary of State's drawings. It would be inconvenient that the revenue during six years should be swelled by an extraordinary receipt of £500,000 a year. It has been decided, therefore, to bring the whole of the £5,000,000 to account at once. It will be observed that a sum of £2,000,000 figures in the Regular Estimates for 1880-81 and a sum of £3,000,000 in the Budget Estimates for 1881-82 on the revenue side of the account under *XXIX, Army*. I shall presently (paras. 70 and 71) explain the reasons for adopting this distribution between the two years.

20. This is not a proper occasion on which to discuss the policy of the Afghan War; yet I venture to express a hope that future Governments will bear in mind that, apart from indirect losses, such as the destruction of cattle, which form so important a portion of the capital of India, and apart from an expenditure of £5,496,000 (true sterling £4,580,000) on railways, which will probably yield but a slight return on their capital cost, the tax-payers of India and of England have paid or will pay about £18,815,000 (true sterling £15,680,000) in the attempt to carry that policy into execution.

Reforms in system of Account.

21. The failure in the war estimates led to an examination of the system of Military Account and Estimate. Concurrently with various reforms which in the course of the year have been instituted in India, a Committee composed of gentlemen well acquainted with the system of accounts in vogue both in England and in India was assembled by the Secretary of State in England. The thanks of the Government of India are due to the members of this Committee for their valuable report.

Cause of failure of estimates.

22. The failure of the war estimates arose from attention being directed too exclusively to the classified and audited expenditure, whilst the issues from the Civil Treasuries to the Military Department were neglected.

Treasury transactions.

23. In considering the nature of the reforms to be introduced, the first point to which attention was directed was the necessity of obtaining the earliest possible information in respect to Treasury transactions. I proceed to state what has actually been done in this respect and what it is proposed to do.

Present system.

24. The information on which we at present rely in respect to our current finance is—(1) An account of the receipts and disbursements of the month, classified in the manner in which they will ultimately appear in the Accounts; this is now ready about six weeks after the close of each month; (2) An estimate prepared towards the close of each month of the Treasury transactions of the month; (3) A monthly statement of the closing cash balance of each Treasury; except in the case of a few of the most distant and least important Treasuries, this information is available by the 9th of the month; (4) A statement, compiled about the 16th of each month, of the receipts and issues of the Civil Treasuries upon military account during the previous month; (5) Statements received from the 20th to the 24th of each month, also based upon the actual Treasury accounts, of the receipts under the chief heads of revenue during the previous month; for some of these we get, independently, telegraphic information from departmental officers.

Reformed system.

25. It is manifest, if our present information be compared with that which was obtainable a year ago, that great progress has been made. Credit is due to the present Comptroller General (Mr. Westland) for the energy and intelligence with which he has set about the work of reform. A further improvement would, it is thought, be effected if the Treasury Officers were themselves to classify their monthly receipts and disbursements under a few main heads of revenue and expenditure. Every officer in charge of a Treasury has, therefore, been instructed to furnish the Accountant General of his Province with an abstract account at the close of each month in the form given in the margin. The nine Accountants

ABSTRACT ACCOUNT OF THE TREASURY FOR THE MONTH OF 188

Receipts.	Rs.	*Outgoings.*	Rs.
Civil Revenue		Civil Expenditure... ...	
Civil Debt and Remittance ...		Civil Debt and Remittance ...	
Post Office		Post Office	
Military Department ...		Military Department ...	
Public Works Department ...		Public Works Department ...	
Opening Balance		Closing Balance	
TOTAL ...		TOTAL ...	

General will telegraph the result to the Comptroller General. It is probable that at first the information obtained will be defective, by reason of the Treasury Officers being unaccustomed to observe the necessary classification of their receipts and disbursements. But I trust that in time any defects will be rectified. The system will come into operation from the 1st April. We hope to obtain the whole of the information for each month by the 15th of the following month. Experience will show whether it will not be possible to obtain it earlier, and whether it will not be advisable to place the Treasury Officers in direct communication with the Comptroller General.

Finance Accounts to be based on issues.

26. It has been decided that in the Finance Accounts the issues from the civil treasuries for carrying on military services shall be treated as expenditure, in accordance with the practice as regards Exchequer issues in England. This is the only safe system for financial purposes, because the issues from the treasuries do in fact represent the amount of expenditure for which funds have been necessarily provided. The alternative course of basing the figures in the Finance Accounts upon the results of classification and audit is unsafe, because it practically excludes from view, in a comparison with Budget Estimates, considerable charges awaiting classification and audit, and payments out of issues for which accounts have not been rendered. It thus presents an erroneous view of the financial position. The Regular Estimates for 1880-81 and the Budget Estimates for 1881-82 have been framed on the new system. I wish to draw special attention to this circumstance. Unless the nature of the change be borne in mind, erroneous conclusions may be drawn in comparing the Budget Estimates and the Regular Estimates for 1880-81.

New duties of Comptroller General.

27. A change is about to be made in the duties of the Comptroller General and the Military Accountant General. Their official relations towards each other will be more clearly defined. The Comptroller General will be the chief authority in all matters affecting the mode of keeping the public accounts including those of the military and other spending departments. He will be solely responsible for the general Finance Accounts, and will be the recognised channel for information in regard to the financial position as indicated in those accounts. He will be answerable for watching the issues for military and all other services and keeping the Government informed as to the actual progress of both revenue and expenditure.

New duties of Military Accountant General.

28. The Military Accountant General will occupy the position and exercise the authority of a Deputy Secretary for Finance in the Military Department, retaining his present duties, and will be specially charged with the function of watching and reporting upon the current military expenditure.

Comptroller General to submit an annual report.

29. In future the Comptroller General will submit to the Government of India annually a report in which the accounts of the year will be compared with the Budget Estimate of that year, and explanations will be given of the causes of increase or decrease, as well as a comparison between the accounts of the year and of that immediately preceding, with similar explanations. This report will be transmitted by the Government of India with their observations thereon to the Secretary of State, to be dealt with as he may think proper.

30. Such are the reforms which have been introduced or which it is proposed to introduce. They coincide with the recommendations of the India Office Committee, in which the Government of India concurs.

System of independent appropriation audit.

31. The expediency of establishing in India an independent appropriation audit to supplement the present departmental audit came under the consideration of the Committee. The conclusion on this subject was not unanimous. On the one hand it was held that the failure in the War Estimates did not arise from errors in the accounts which are the subject of audit, but from errors in the application of those accounts to the estimates. On the other hand it was urged that the separation of the functions of account and audit is a principle of unquestionable soundness and of universal applicability. The matter is under the consideration of the Government.

Explanation of slight reduction in cash balance on March 31st 1880.

32. Before leaving the subject of war expenditure, I have one further observation to make. When it was discovered that the war estimates had been framed on an erroneous basis, some surprise was expressed at the fact that, although it was estimated that about £5,500,000 in excess of the Budget Estimates would be spent before March 31st 1880 on account of the war,

the closing balance on that date was only about £1,180,000 below the original estimate. The explanation of this circumstance is as follows: The sum actually spent in excess of the Budget Estimate was £5,503,000. The balance on March 31st 1880 was actually reduced by £1,163,000. Of the remainder (£4,340,000) £2,300,000 had already appeared in the Accounts of 1878-79 under the head of Advances. The balance (£2,040,000) is due to the receipts being greater or the disbursements less than the estimate under various heads. The aggregate receipts and disbursements of the Government of India in one year are about £250,000,000. In dealing with such large and varied operations it is difficult, even in ordinary times, to frame a correct estimate of what the balance will be at any particular moment.

III.—Regular Estimates for 1880-81.

33. The Budget Estimates for the year 1880-81 were as follows:— *Regular Estimates, 1880-81.*

	£
Revenue	66,746,000
Expenditure	66,329,000
Surplus ...	417,000

The Regular Estimates are as follows:—

	£
Revenue	70,768,000
Expenditure	77,037,000
Deficit ...	6,269,000

34. The Revenue will therefore, according to present calculations, be in excess of the Budget Estimate by £4,022,000. Of this sum £2,000,000 is due to the English war contribution. *Excess Revenue.*

35. The Expenditure will be in excess of the original estimate by £10,708,000. This increase is due to an under-estimate of war expenditure. The result of the change of system to which I have already alluded (para. 26) is that the Regular Estimates of 1880-81 include not only the sums outstanding from 1879-80, but also the most recent military issues, which under the old system would have figured in the Accounts of 1881-82. The unaudited military expenditure belonging to 1880-81 which would, had the old system remained in force, have been included in the Estimates and Accounts of 1881-82, may be estimated at about £4,000,000. The increase of expenditure as compared with the sum originally estimated may, therefore, be taken at about £6,708,000. *Excess Expenditure.*

36. Excluding from the revenue side of the account the extraordinary receipt of £2,000,000 and from the expenditure side the £4,000,000 due to the change of system, the net result is worse than the anticipations formed at the time the Budget Estimate was framed by £4,686,000. *Net result including War Expenditure.*

	£	£
Revenue	...	70,768,000
Expenditure	77,037,000	
Deduct net war expenditure	11,665,000	
		65,372,000
Surplus ...		5,396,000

37. The amount of net war expenditure, including that on the Punjab Northern and Frontier Railways, which figures in the Regular Estimates is £11,665,000. *Net War Expenditure.*

38. Excluding war expenditure, the Regular Estimates show a surplus of £5,396,000. This result is satisfactory. *Net result excluding War Expenditure.*

39. A few observations are necessary in respect to some of the chief items on either side of the account. *Explanation of details.*

Revenue Side of the Account.

Land Revenue.

40. The Land Revenue is now estimated to give £21,753,000,* being £309,000 less than the Budget Estimate. A large amount of Land Revenue falls due in February and March. Recently the subordinate revenue officials have everywhere been occupied with the census. Hence the collections have been retarded, especially in Madras and the North-Western Provinces. The result is that the receipts of 1880-81 are diminished by about £309,000, and that those of 1881-82 will be proportionately increased.

* Of this sum £21,052,000 appears under *I, Land Revenue,* and £701,000 under *I, Portion of Land Revenue due to Irrigation.*

Customs.

41. The increase under *Customs* (£347,000) is a satisfactory sign of the general prosperity of the country. There has been a remarkable revival of trade during the year. The total value of the exports, exclusive of gold and silver, up to end of February was £66,289,000 as compared with £59,415,000 during the corresponding period of 1879-80. That of the imports was £48,396,000 as compared with £37,228,000.

Salt.

42. The receipts from *Salt* are now calculated to fall short of the Budget Estimate by £488,000. It appears that the receipts of 1879-80, on which the Regular Estimate for 1880-81 was based, were abnormally high. The chief diminution occurs in Upper India. So far as can be at present ascertained, it is mainly due to two causes. In the first place, owing to the exhaustion of the stock of coarse salt in 1879-80 at the Sambhar Lake, the Inland Customs Department sold fine salt during the months of November and December 1879 at a price greater, indeed, than its cost of production, but considerably lower than its market value. The result was a large demand on the part of wholesale dealers and a subsequent cessation of demand until the large stocks taken off the hands of the department were consumed. Steps have been taken which will obviate any recurrence to this procedure. Secondly, during the current year the department has itself opened some central depôts. The immediate effect of this measure has been to diminish the demand for salt at the Sambhar Lake, while the wholesale dealers, whose stores will be superseded by the depôts, are working off the stocks they have in hand.

Opium.

43. *Opium* is estimated to yield £8,468,000 net, being £1,218,000 in excess of the Budget Estimate. So large an amount has never been received in any previous year. The price obtained for Bengal opium throughout the year averaged Rs. 1,362 a chest. In the course of last autumn, it was found that other crops were competing successfully with opium in Behar. The price paid to the cultivators was therefore increased from Rs. 4½ to Rs. 5 per seer. There was some stagnation in the trade of Malwa opium, the result, it is believed, of previous over-speculation.

Expenditure Side of the Account.

Military Expenditure.

44. Turning to the expenditure side of the account, of the total increase of £10,708,000, £9,299,000 appears under the head of *Military Operations in Afghanistan.* Apart from war charges, the net Military expenditure of the year is estimated at £15,463,000. There is an increase of £188,000 under *Frontier Railways,* which is also a war charge.

Refunds and Drawbacks.

45. The increase (£116,000) under the head of *Refunds and Drawbacks* is mainly owing to a double credit of £100,000 having been discovered in the accounts of 1878-79 under the head of *Salt.*

Superannuations.

46. The increase of £179,000 under the head of *Superannuations* is due to the cost of reducing the establishments of the Public Works Department having been under-estimated.

Railways.

47. The increase under head of *Railways* is mainly due to the capital expenditure on the Punjab Northern line having been £355,000, and the working expenses on the State Railways (mainly the Punjab Northern and Indus Valley) having been £247,000 in excess of the Budget Estimate.

Progress in Railway construction.

48. The progress which has been made in railway construction during the year reflects credit on the Director General of Railways and his staff. 1,104 miles have been opened to public traffic, making a total of 9,661 miles open to traffic in the whole of India. It is anticipated that 1,174 miles will be under construction during the year 1881-82.

Other Public Works and Irrigation and Navigation.

49. The increase of £224,000 under the head of *Other Public Works,* and of £123,000 under the head of *Irrigation and Navigation,* is due to the fact that the Provincial Governments are now spending their balances on

various works of material improvement. During 1879-80 these operations were restricted. The result was that the Provincial and Local balances accumulated.

Loss by Exchange.

50. The diminution of £316,000 under the head of *Loss by Exchange* is due to the fact that the Budget Estimate was framed on the basis of the home remittances amounting to £16,900,000, whereas only £15,090,000 have been remitted home.

Capital Expenditure on Productive Public Works.

51. The capital expenditure on *Productive Public Works* is now estimated at £2,816,000, being £134,000 in excess of the Budget Estimate. Of this sum £2,045,000 will be spent on Railways, £700,000 on Irrigation, and £70,000 on the Madras Harbour Works.

IV.—Budget Estimates for 1881-82.

Budget Estimates, 1881-82.

52. Before I discuss the Budget Estimates of 1881-82 it will be desirable to state the basis on which those estimates have been framed.

53. Several points in connection with the existing fiscal system have recently formed the subject of representation to the Government by some important public associations. Some disappointment may not unnaturally be caused by the absence in this statement of any allusion to those points. They have received careful consideration, but the Government of India is of opinion that at the present moment, when the embarrassment caused by the partial occupation of a foreign country hangs as a dead weight on the whole financial situation, it would be inopportune to attempt any reforms in the fiscal system. It would certainly be imprudent to sacrifice any existing source of revenue, however insignificant. The consideration of any changes must, therefore, be postponed until military expenditure is reduced to its normal limits.

Famine Insurance.

54. On one point, however, it has been decided to make some changes. In the debate in the Legislative Council of February 9th 1878, Sir John Strachey explained that in every ten years the Government of India would probably have to spend £15,000,000 on the relief of famine. If, he added, we provide "a *bonâ fide* surplus of £1,500,000 a year for 10 years, we "shall have obtained our £15,000,000."

55. Some difference of opinion has existed as to whether the policy proclaimed in 1878 has been carried out effectually or not, but the policy itself met with general approval at the time of its enunciation, and has not since been impugned. Speaking on behalf of the Government of India I reaffirm that policy; but it is proposed to make certain modifications in the procedure in connection with it.

56. Up to the present time the sum of £1,500,000 has not been included in the expenditure of the year. It is now proposed to treat it as expenditure.

Distribution of money to be applied to Famine Insurance.

57. It is necessary to explain the manner in which, under instructions from the late Secretary of State, the expenditure of this sum of £1,500,000 is distributed. Lord Cranbrook directed that £750,000 was for the present to be applied to the reduction of debt in England, and that the remainder was to be appropriated, at the discretion of the Government of India, to—

"the extinction of debt, to the relief of famine, or to the construction of protective works, "not necessarily directly remunerative, but obviously protective in the sense of guarding against "a probable future outlay in the relief of the population."

Protective Public Works.

58. The particular Protective Works which the Government of India will recommend to the Secretary of State for the year 1881-82 are the continuation of the Nira canal works in the Bombay Presidency, the commencement of a railway from Rewari towards Hansi in the Punjab, the completion of the line from Bellary to Hospett in the Madras Presidency, and the commencement of a branch line from Hotgi, in the neighbourhood of Sholapur, to Bijapur. It may perhaps also be found possible to make a commencement of the Betwa Canal in Bandalkhand. Provision has been made in the Budget for £750,000 to be placed at the disposal of the Public Works Department with a view to the commencement of these works.

Reduction of Sterling Debt.

59. I turn to the second branch of the subject, *viz.*, the disposal of the £750,000 which is to be applied to the reduction of sterling debt.

60. The disposal of this sum of money raises some difficult questions of principle. Does the application of this money to the reduction of debt, whilst at the same time the Government continues to borrow for Productive Public Works, involve the old fallacy of a sinking fund without a surplus? It is this question, on which there may well be two opinions, which has to a great extent given rise to those doubts in respect to the execution of the Famine Insurance policy to which I have already alluded.

61. The soundness or otherwise of the policy depends upon the answer which can be given to the question—is it desirable to convert sterling into rupee debt? The Government is of opinion that, within certain limitations, it is desirable to effect this conversion.

62. The grounds for holding this opinion are as follows:—

(1) It is essential to a sound condition of State finance that the elements of certainty and stability should prevail to as great an extent as possible. No such certainty or stability can be attained if the State owes a large sum of money in a currency other than that in which it collects its revenue.

(2) It is desirable in years of prosperity to reduce the home liabilities, in order that, in times of emergency, the Government may fall back on the London market and borrow without any aggregate increase in their amount.

63. It may perhaps be urged that the object in view will, in any case, only be attained in appearance, and not in reality; that it signifies little whether interest is payable in gold or silver, or whether a loan is issued in London or Calcutta, for that in either case the money will be subscribed by investors resident in Europe, and that the so-called *Loss by Exchange* depends, not on the amount of the Secretary of State's bills, but on the cumulated transactions of the Secretary of State and the public.

64. If this argument is carried out to its logical conclusion it involves a reversion to the policy of contracting sterling loans whenever it is possible to obtain money by such means cheaper than by contracting to pay interest in silver. The adoption of this course, although in contradiction to the principles which have been laid down by successive Secretaries of State, is advocated by many high authorities.

65. The Government is of opinion that it would be inexpedient at present to revert to the policy of contracting obligations in gold, for the following reasons:—

(1) The best solution of the question would be to obtain money from local investors at the same rate as from residents in Europe. If Government loans are issued in India, and if the interest is payable in silver, we may hope to attract some local capital. If they are issued in London, and the interest is payable in gold, we are almost certain to attract no local capital.

(2) It is the opinion of those who speak with the authority of long practical experience that the effect on exchange of the amount which India has annually to remit to England would not be so oppressive if the bills to be placed on the market were more equally distributed between the Secretary of State and the public.

(3) Any extension of our sterling obligations is in the nature of a speculation, which may prove successful or the reverse according to whether the value of silver in respect to gold rises or falls.

66. Although, however, the advantages of remitting to England in order to extinguish sterling debt may be admitted, it is possible to pay too high a price for those advantages. The difference between the value of rupee and sterling stock may be so considerable as to render the transaction undesirable. Further, there are practical difficulties in the way of giving effect to the policy. The amount of the home disbursements is now so large that unless there be a rise in the value of silver, or unless the amount of exports is

increased, it may be difficult to remit home £750,000 more than at present. For these reasons the Government cannot take any positive pledge that even when a *bonâ fide* surplus of receipts over expenditure is secured it shall be applied to the reduction of sterling debt.

Appointment of Commissioners for the reduction of debt.

67. With a view to the effectual execution of the Famine Insurance policy, it is in contemplation to nominate a Commission for the reduction of debt. The precise constitution and duties of the Commission have not as yet been determined. Should there be no *bonâ fide* surplus of receipts over expenditure, or should that surplus be less than £750,000, the Government will publish its reasons for not transferring any money or a less sum than £750,000 to the Commissioners. Should it be found desirable to invest the money temporarily, rather than to apply it at once to the extinction of sterling debt, the decision as to the nature of the investment will rest with the Government.

68. The present policy of the Government, therefore, is to provide £1,500,000 a year as an insurance against famine. The first use to which this money will be applied is the relief of famine. Should no expenditure under this head be required, £750,000 will be applied to the construction of Protective Public Works. The remainder (£750,000) will, in the event of there being a surplus of receipts over expenditure, be transferred to the Commissioners for the reduction of debt. This, I say, is the present policy of the Government. Like any other policy it is liable to change; but the particular point on which I wish to lay some stress is, that the amount to be provided as an insurance against famine is only so far dependent upon the receipts from the License Tax and the Public Works Cesses that those receipts go to swell the general revenue, and by so much facilitate the execution of the policy in question. The policy of the Government is, in fact, to apply annually a specified sum from the general revenue in order to provide an insurance against famine. There is no special connection between the amount so provided and the amount received from the License Tax or the Public Works Cesses. Those taxes have never yielded so large a sum as £1,500,000 in any one year.

Basis on which Estimates are framed.

69. It is to be borne in mind that up to the present time the policy of the Government has been to provide a surplus of £2,000,000, of which £1,500,000 was for Famine Insurance, and £500,000 was for any extraordinary contingencies that might arise. I have explained that the £1,500,000 for Famine Insurance will henceforth be treated as expenditure. This sum is entered under *Famine Relief, Protective Works, and Commissioners for Reduction of Debt*, in the estimates for the year. The surplus which we wish to attain is thus reduced to £500,000.

70. I have already stated (para. 19) that of the £5,000,000 sterling contributed by the English Treasury, it is proposed to bring £2,000,000 to account in 1880-81 and £3,000,000 in 1881-82. The reason for adopting this distribution is that, including a provision of £790,000 for *Frontier Railways*, the net war expenditure which figures in the Budget Estimates for 1881-82 is £3,000,000. By bringing £3,000,000 of the English war contribution to account in 1881-82 as revenue we are able to present a budget, the net result of which is so far normal that it is undisturbed by expenditure on account of the war.

71. The distribution of the £5,000,000 will be re-adjusted before the Accounts of 1880-81 are closed, so as to show, as far as possible, in the Accounts of 1881-82 an amount equal to the expenditure in that year on the war and on Frontier Railways, and to enter the rest in the Accounts of 1880-81. The object of the distribution throughout will be to leave the Estimates and, as far as possible, the Accounts of 1881-82, undisturbed by the war in any shape.

Estimates.

72. With these preliminary explanations I proceed to state the Estimates for the year. They are as follows:—

	£
Revenue	70,981,000
Expenditure	70,126,000
Surplus	855,000

Surplus exclusive of abnormal receipts from Land Revenue.

73. I have already explained (para. 40) that the revenue of 1881-82 is swelled by an abnormal receipt of about £445,000, being the amount of *Land Revenue* whose collection in 1880-81 has been retarded by reason of the census operations. The normal receipts of a year from *Land Revenue* may now be taken at £22,050,000. The amount for which credit is taken in the Estimates for 1881-82 is £22,495,000. Deducting the sum of £445,000, the surplus shown on the Estimates is £410,000.

Explanation of details.

74. A few observations are necessary in explanation of some of the details of the Estimates.

Revenue Side of the Account.

Customs.

75. The receipts from *Customs* are estimated at £2,367,000, being £155,000 less than the Regular Estimate of 1880-81. It would be unwise to count upon a continuance of the recent activity in the import trade.

Opium.

76. Under instructions from the Secretary of State, *Opium* is taken at a low figure, namely, £6,500,000 net.

Provincial and Local Deficits.

77. The large increase (£709,000) under the head *Provincial and Local Deficits* is due to the fact, to which I have already alluded (para. 49), that the Local Governments are spending their balances on material improvements. This is an adjusting item. Analogous charges are distributed under various heads on the expenditure side of the account, mainly under those of *Irrigation and Navigation*, where there is an increase of expenditure of £185,000, and *Other Public Works*, where there is an increase of £505,000. Provision has been made for Provincial Public Works expenditure to the amount of £1,079,000 in excess of the Budget Estimate for 1880-81.

Expenditure Side of the Account.

Interest on Debt.

78. Turning to the expenditure side of the Account, the increase of £380,000 under the head *Interest on Debt* as compared with the Regular Estimate of 1880-81, is in part due to the fact that, owing to the re-arrangement of dividend days when the 5 per cent. sterling loan was converted into 4 per cent. stock, a nominal saving of £172,000 was made in the year 1880-81. £35,000 is to provide for interest on £1,000,000 3½ per cent. stock issued to take the place of East Indian Railway debentures. The balance (£173,000) is mainly for interest on money borrowed in 1880-81 and to be borrowed in 1881-82 in India.

Marine.

79. There is an increase of £197,000 under the head of *Marine*, mainly due to the purchase of a new troopship for use in India.

Loss by Exchange.

80. *Loss by Exchange* has been estimated at £3,475,000, on the assumption that £17,200,000 will be remitted home at 1*s.* 8*d.* the rupee. There appears on the revenue side of the Account a *Gain by Exchange* of £412,000. Thus the net *Loss by Exchange* is estimated at £3,063,000. I need hardly point out that these are adjusting entries, and the difference between them does not furnish the true measure of the loss to India from the recent change in the relative values of gold and silver. In order to arrive approximately at the real loss by exchange, we must assume a normal relative value between gold and silver. When that relative value was as 1 to 15½ the 165 grains of pure silver contained in a rupee were worth 1*s.* 10⅝*d.* The net sterling expenditure at the Home Treasury of the Government of India may now be taken at £14,750,000 (true sterling). £14,750,000 at 1*s.* 8*d.* the rupee equals Rs. 177,000,000. At 1*s.* 10⅝*d.* the rupee, £14,750,000 equals Rs. 156,464,000. The difference is Rs. 20,536,000. On this basis, therefore, the real loss to the Indian Treasury in 1881-82 resulting from the disturbance of the equilibrium previously existing between gold and silver may be estimated at £2,053,600.

V.—Capital Expenditure on Productive Public Works.

Capital Expenditure on Productive Public Works.

81. A sum of £1,405,000 appears under the head of *Productive Public Works* in the estimates for 1881-82 on account of the purchase of the Madras Irrigation Company's undertaking, and £860,000 on account of Capital Expenditure on the East Indian Railway. £2,608,000 appears as Capital Expenditure on Productive Public Works. Of this sum £108,000 is the unexpended balance of the grants of former years. The balance (£2,500,000) represents the Productive Public Works grant for the year. It is intended to spend £1,780,000 on Railways, £758,000 on Irrigation, and £70,000 on the Madras Harbour Works.

82. No subject has of late years been more thoroughly discussed than the question of whether it is desirable or not to continue the policy of borrowing

in order to construct Productive Public Works in India. In 1879 a Committee of the House of Commons recorded its opinion that the expenditure upon railways and irrigation—

"though not remunerative in the aggregate, has upon the whole been beneficial to India, "and that although considerable sums have been wasted and certain profitless schemes under- "taken, the policy of continuing to borrow for Productive Public Works may, within the "limits and restrictions hereinafter laid down, be continued."

The Committee then proceeded to lay down certain restrictions, the principal of which was that no more than £2,500,000 should for the present be borrowed in any one year. The limited amount of capital available in India,—the undesirability of adding to the sterling debt,—the fact, to which the Committee allude, that in India there is little or no publicity, and still less extraneous engineering talent to criticise the projects emanating from the Public Works Department,—the unavoidable difficulties encountered by any great central department, however zealous and intelligent its individual members may be, in exercising an effective control over the expenditure of vast sums of money,—appear to justify this restriction. Successive Secretaries of State have adopted the principles recommended by the Committee. The present Secretary of State has given somewhat greater precision to the instructions of his predecessors. It has been laid down that—

"The question of constructing new railways is to be considered on commercial principles. No "new line is to be undertaken, unless there is good prospect of its proving remunerative; that "is to say, unless it can be fairly calculated to pay, within a maximum limit of five years "from the date of the line being open for traffic, 4 per cent. on the capital invested, including "therein all arrears of simple interest incurred up to that date, and also the capitalised value "of the Land Revenue and of Leave Allowances and Pensions."

In the case of irrigation works it is said—

"Commercial principles may be so far relaxed as to admit of their being undertaken if they "can fairly be estimated to prove remunerative in ten years from the date of their completion, "on similar terms."

83. Such are the instructions of Her Majesty's Government, and it would, in any case, be the duty of the Government of India to carry them into execution. But I wish to express my concurrence in the principles which have been laid down.

84. It is, however, manifest that a capital expenditure of £2,500,000 a year is inadequate to meet the present wants of India. Are we therefore to abandon all hope of constructing canals and railways with the rapidity which the exigencies of the country demand? I hope not. It has always appeared to me a remarkable fact that India,—with all its magnificent and, as yet, only half-developed resources, and with all the security to life and property resulting from a Government, which, whatever be its defects, is at all events strong, honest, and well-intentioned,—should up to the present time have been obliged to pledge the full security of the State in order to attract any considerable portion of the surplus capital of England. I hope that some railways afford sufficient attraction to induce private individuals to undertake their construction without the aid of Government, or, at all events, with a minimum amount of such aid. I do not question the wisdom of the policy which would permit private capitalists to embark in this field. It was therefore with pleasure that I read the following instructions which have been received from the Secretary of State:—

"In the case of railways, I do not doubt that Your Excellency will bear constantly in mind "the importance, whenever possible, of ensuring their construction by private capital, either "local or European. It is true that up to the present time no companies have been found "willing to undertake the construction of railways without a Government guarantee; but I "would, nevertheless, strongly urge upon Your Excellency that, when any reasonable prospect "of success presents itself, an endeavour should be made to encourage the raising of capital "through private agency, on the exclusive security of the success of the undertaking. Any "step in this direction will meet with my most cordial support and co-operation. In the "event of its becoming apparent that the due execution of this policy is impracticable, it may "become desirable to consider whether a modified system of guarantee might not advantageously "be adopted. By a modified system I mean one so restricted in respect to time and to the rate "of interest guaranteed as to give the subscribers a real interest in the efficient and economical "administration of the railway."

85. It is sometimes urged that a railway is a monopoly, and, for that reason, should be in the hands of the State, and not of any private interests. Further, that to concede the right of building a railway is to part with one of our most productive resources.

86. It is true that a railway is generally a practical monopoly. The State, therefore, should exercise so much supervision over its working as will prevent the monopoly being exercised in a manner detrimental to the public interests. Thus the State should possess a right of inspection, in order that the line may be certified by competent authority to be safe for the transport of goods and passengers. It should regulate the maximum tariff and fix the gauge on which the line is to be constructed. It is especially necessary that a conditional right of purchase after the lapse of a certain period should be reserved. But when provision has been made for these and some other points, which I will not now enumerate, the necessity for State interference ceases. The interests of the public do not necessarily demand that the State should create an artificial monopoly in its own favour in respect to the construction of all railways.

87. As regards the loss of revenue, it may be urged that if the profits of the railway be left to fructify in the pockets of the people they will be more advantageously employed than would be the case were they paid to the State, with a great chance of their being employed on unproductive expenditure. Moreover, it is to be observed that the indirect benefits to the State and to the country resulting from the extension of railway communication are obtained equally well whether the railways are constructed by Government or by private agency. The value of land is enhanced; new markets are opened; an impetus is given to the export trade, and the greater power of transport and concentration affords a hope that military expenditure may be reduced.

88. Even if the general arguments in favour of constructing railways solely through the agency of the State were more valid than I conceive them to be, I should still hold that those arguments did not apply in India. The first economic requirement of India is that her resources should be developed without delay, and that means of communication should be so improved as to facilitate emigration from districts which are over-populated to those in which labour is scarce. I doubt whether Government agency alone can adequately perform this task, and I hold that in any case it is not desirable that it should do so if private agency can be found to undertake the work. I am not without hope that, if an impulse can be given to railway construction by British enterprise, Native capitalists will enter the field, either alone or in conjunction with Englishmen. I should regard such a movement as an important factor in the practical education of the people, inasmuch as it would tend to wean the Natives of India from that dependence upon Government which is intensified by concentrating in the hands of the State all the organised skill which the construction and management of a railway requires. If ever the Natives of this country are to be schooled in the first rudiments of self-government it is desirable that they should be encouraged to act for themselves in such matters, rather than that they should rely always upon that coercive philanthropy which insists upon doing everything for them.

89. A more real obstacle to the construction of railways by private agency without a Government guarantee is to be found in the fact that up to the present time it has not been found possible to form a company willing to undertake them. In fact, the impossibility of inducing capitalists to undertake the construction of railways in India at their own risk with a minimum amount of Government interference was one of the main reasons which led to the adoption of State agency in the place of the guarantee system in 1869.

90. Since 1869 the desirability of encouraging private capitalists to make railways without a guarantee has been frequently pressed upon the Government of India, and it has always been assumed that the policy was impossible of execution. It does not, however, follow that what was impossible twelve years ago is so now. During that period the financial aspect of railway enterprise in India has improved, whilst at the same time the amount of capital seeking investment in the world has increased. I am not over-

sanguine as to the possibility of developing the resources of India rapidly through the agency of private enterprise, but the end to be attained is so important that the policy merits a further trial. Some progress has already been made. A Company has been formed under the auspices of Messrs. Rothschild with a view to the construction of a railway from Calcutta to Jessore and Khoolna. I am hopeful that the example given by a firm of such high standing and reputation as Messrs. Rothschild will give an impulse to the construction of railways through the agency of private enterprise. If local capital will come forward, so much the better. If not, it is to be hoped that European capital will be forthcoming.

91. I am unable as yet to say anything definite as to the conditions under which concessions may be made to private capitalists. Possibly those conditions may vary according to the exigencies of each particular case. It appears to me, however, that the Government may legitimately help in a variety of ways short of giving a guarantee. Government officers may make surveys and estimates, and supply all necessary information with a view to enabling private individuals to judge for themselves whether they care to invest their money in any particular scheme. The land on which the line is constructed may sometimes be given free of cost. Possibly, in some cases, grants of waste land in the vicinity of a new line may be given. On the other hand, certain conditions, to some of which I have already alluded, must be imposed, and it will be important only to give concessions to such persons as can afford good security that they have at their command a sufficient amount of capital to carry out the undertaking to a successful issue.

VI.—Ways and Means.—(See Appendix VII.)

Ways and Means.

92. The balance on March 31st 1881 is estimated at £12,800,000. Although so short a time has to elapse before the close of the year, I am obliged to put this estimate forward with reserve. The disturbance in the collection of Land Revenue, to which I have already alluded (paras. 40 and 73), renders it difficult to state with accuracy whether the amount now due will be paid before or after March 31st. Further, the estimate of £12,800,000 is largely affected by the distribution of the payment of Council bills at Calcutta between the last week of March and the first week of April.

Closing balance, March 31st 1881.

93. Provision has been made in the Ways and Means Estimate for a loan of £3,000,000 to be raised in India in the course of the year. The amount of Secretary of State's bills which, it is estimated, will be presented for payment in the course of the year is £17,200,000 sterling. The estimates of the amount to be borrowed and to be supplied to the Home Treasury by bills in 1881-82 are the best that can now be made, but I state them with the usual reserve, *viz.*, that they are—

Loan of £3,000,000

"subject to modification as the year goes on, that the Government must not be understood to "pledge itself that the Secretary of State will raise by bills the exact amount stated, or that "the exact amount stated will be borrowed during the year, or that it will be borrowed in "India."

94. The balance on March 31st 1882 is estimated at £10,000,000. In considering this estimate it is to be borne in mind that some heads of revenue will almost certainly yield more than the amount for which credit has been taken, and also that many of the heaviest additions to the expenditure—namely, the large grants for Public Works and for the reduction of debt—will not fall upon the Treasuries until late in the year, when we shall have passed the period of low balances.

Closing balance March 31st 1882

95. It will be observed that there was a large increase of Savings Banks Deposits during the year 1880-81. This increase was due to the Government having raised the rate of interest from $3\frac{3}{4}$ to $4\frac{1}{6}$ per cent. and having also raised the limit of individual deposits. Part of these concessions have now been withdrawn as they were considered to have attracted a class of deposits for which Savings Banks were not intended. Large withdrawals are in consequence anticipated in 1881-82. On the other hand arrangements are being made to utilise the organisation of the Post Office with a view to giving increased facilities to depositors.

Savings Banks.

Money-orders.

96. On January 1st 1880 the business of the Money-Order Department was transferred from the Civil Treasuries to the Post Office. The result of this change has been to increase the number of offices at which money-orders can be obtained and paid. The result is shown in the increase of the annual amount of money-orders from £1,200,000 to over £4,000,000.

VII.—Conclusion.

Conclusion.

97. I have now dwelt upon most of the leading features of our current finance. To have attempted a more detailed examination of the many questions which arise incidentally would have unduly lengthened this statement. I will conclude with some observations of a more general nature on the financial situation.

98. The facts and figures which I have given in this statement are sufficient to show that the first essential condition of sound finance exists in India. The revenue exceeds the expenditure. The actual financial condition of India is therefore prosperous. I am glad of an opportunity of expressing this opinion, because the recent failure in the War Estimates has tended to induce a belief that the present financial condition of India affords ground for alarm. This is not the case. When once we are relieved from the strain of war expenditure we need be under no serious anxiety in respect to our current finances. The difficulties with which we have to deal, considerable though they be, are different from those which obtained in the years immediately following the Mutiny. India is not in a state of chronic deficit. She can not only pay her way, but provide a large surplus of receipts over expenditure. The different branches of revenue show a fair degree of elasticity. During the last 12 years there has been a reduction of £3,558,000 in the net charge on account of Productive Public Works.

99. These facts are satisfactory and, if I may be allowed to say so, reflect credit on the past administration of Indian finance. Are we therefore justified in saying that the condition of Indian finance is thoroughly prosperous? I think not. However encouraging may be the aspect of the present, the possibilities of the future are at all events sufficiently grave to render severe thrift and economy a paramount necessity.

100. Our principal source of income is the Land Revenue, which is paid in silver, and either fixed in perpetuity or only subject to increase at long intervals. At the same time we owe a large sum annually in gold. The amount of the Secretary of State's bills has of late years been gradually increasing. In 1881-82 they will amount to £17,200,000 sterling. This amount includes many remittances which are in the nature of banking transactions; but when all reasonable deductions have been made, the amount which India must send home to meet her current wants is still very large. Obviously under such conditions one essential element of State finance—stability—must be to some extent wanting. We can never feel any certainty of the sum to which the item *Loss by Exchange* may not amount.

101. About £8,000,000 of our net revenue is derived from opium. It is true that whilst the revenue from opium has of late years been steadily increasing, it has been wisely decided to rely on it only to the extent of £6,500,000 net in framing the estimates. But I cannot, on this account, consider that the force of the arguments based upon the precarious nature of this revenue are diminished. £6,500,000 is about one-tenth of the gross revenue, and there will always be a tendency to discount the anticipated receipts above that amount. The degree of embarrassment which would be caused by the whole or partial loss of the opium revenue increases in the direct proportion of the sums which the Indian Treasury derives from this source.

102. Lastly, the pressure of the population upon the soil, which year by year increases in intensity, presents an economic difficulty of the first magnitude, with which, indeed, I doubt the capability of Government to cope by any direct means, but which renders it imperative upon us to reduce in every

possible way the pressure of taxation. India is a poor country, and the fact that the Government receives in the shape of taxes more than it spends should not blind us to the economic difficulties of the future. No one, for instance, can reflect on such facts as those recently published by an able young officer of the Civil Service (Mr. Irwin) in respect to Oudh without misgivings as to the future. A high authority on agricultural matters (Mr. Caird),—whose criticisms on Indian affairs I welcome, although I venture to think that further study might induce him to modify some of his views,—has also dwelt on the density of the population in certain parts of India. The Director General of Statistics has calculated that in Bengal there are 715 people to every square mile of cultivated land; in the North-Western Provinces and Oudh the proportion is 824; in Madras 627. These figures speak for themselves. The conclusions to be deduced from them are all the more serious if we reflect that every benevolent attempt made to mitigate the effects of famine and defective sanitation serves but to enhance the evils resulting from over-population.

103. I cannot now attempt any general disquisition upon the proper sphere of Government action in dealing with this and other economic problems which present themselves in India. I will merely observe that Government must beware lest it undertake the solution of difficulties beyond its control, and lest it interfere in matters where its action would be detrimental and would discourage a spontaneous and healthy development of national life. There are, however, two points to which I venture to think the attention of Government may, at the present moment, be usefully directed. The first is the reduction of military expenditure; the second, the encouragement of private enterprise.

104. A Commission, composed of high authorities, has pronounced the possibility of reducing the cost of the Army. I am alive to the difficulties which must be encountered in seeking to reduce Military Expenditure, and I deprecate any economies which can only be made at the expense of true efficiency. I recognise that so long as the Government was not free from the embarrassment caused by the Afghan war, it was impossible to take this matter seriously in hand. But I wish to express my opinion that, when once we are free from Afghan complications, the question of reducing Military Expenditure is of all others that which most seriously demands the attention of Government.

105. Some legitimate encouragement may be afforded to private enterprise without incurring the evils involved in affording anything in the nature of protection to Native industries. It is undesirable that the Government should give subventions to commercial undertakings. Further, the Government must supply its own wants by buying in the cheapest market, wherever that may be. When I speak, therefore, of the encouragement to be given to private enterprise, I mean rather that there should be the absence of discouragement necessarily caused if the State creates artificial monopolies in its own favour, or takes any action which practically causes the Government to compete with private trade. I have already dwelt on the case of Railways. In other spheres Government may legitimately afford some direct encouragement to private trade. Thus, it may be careful to supply its own wants from *bonâ fide* local sources whenever they can be supplied as cheaply as by obtaining goods from Europe. A good deal has already been done in this respect, and it is to be hoped that, as private enterprise is brought to bear more and more on the development of local manufactures, we shall be able to reduce still further the amount which we have to remit to Europe for stores.

106. Further, Government may advantageously continue to act in the direction pointed out by the late Lord Mayo as the pioneer of commerce by facilitating the establishment of direct relations between the commercial classes of India and foreign countries. Thus, two officers of Government (Mr. Buck and Mr. O'Conor) have been of late usefully employed in aiding to bring to the notice of the mercantile community of Melbourne the advantages to be derived from entering into closer commercial relations with India. I am glad to learn that the Syndicate, which was recently formed of persons interested in the tea trade, is about to send a mission to America similar to that which was despatched to Australia. The Government has intimated its willingness to assist in the matter. I may mention that Mr. Buck has expressed an opinion that if the

cotton manufacturers of Bombay and the jute manufacturers of Calcutta were to follow the example of the tea merchants in taking some steps to introduce and extend their manufactures in the colonies, they might effect a considerable increase in their exports.

107. Measures such as those to which I have alluded above come within the legitimate sphere of Government action. I do not say that such palliatives will suffice to meet the economic and financial difficulties with which, possibly, the future may be beset, or that I have alluded to nearly all the remedies which it is within the range of possibility to apply to them; but if we recognise the existence of those difficulties,—if the measures we adopt are of a practical nature and dictated by sound principle,—and if at the same time we are careful to remove any restrictions upon that free expression of opinion which helps so materially to bring to light the nature of the evils to be remedied,—we may at least face the future in the full conviction that we have done our duty. Above all things we should bear in mind the words of Mr. Gladstone,* which represent my own views in language so far more eloquent than any I can find, that I cannot terminate this statement better than by quoting them. Painful impressions, he said—

* Debate in the House of Commons, June 12th 1879.

"have been received in this country that the economic and material condition of the people "of India is not what we should desire. No doubt, exaggerated statements have obtained "currency, and salutary corrections have been applied; but I often think we are too apt to "fall back on the abstract and theoretical splendour of the possession of the Indian Empire, "and we do not sufficiently recollect that the administration of that Empire, in the final "judgment of history, will bring no advantage or glory to us, except in the exact and precise "proportion that that administration confers benefit upon that Empire and renders India "prosperous and happy."

CALCUTTA,
March 25th 1881.

E. BARING.

STATEMENTS.

I

REVENUE AND EXPENDITURE OF THE GOVERNMENT

Estimates,

REVENUES.	Accounts, 1879-80.	Budget Estimates, 1880-81.	Regular Estimates, 1880-81.	Increase.	Decrease.	Budget Estimates, 1881-82.	Budget Estimates, 1881-82, compared with Regular Estimates, 1880-81.	
							Increase.	Decrease.
CIVIL.	£	£	£	£	£	£	£	£
I.—Land Revenue ...	22,463,548	22,062,000	21,753,000	...	309,000	22,495,000	742,000	...
II.—Tributes ...	702,451	698,000	751,000	53,000	...	705,000	...	46,000
III.—Forest	676,234	690,000	699,000	9,000	...	770,000	71,000	...
IV.—Excise ...	2,838,021	2,782,000	3,075,000	293,000	...	3,031,000	...	44,000
V.—Assessed Taxes ...	785,318	535,000	550,000	15,000	...	550,000	...	...
VI.—Provincial Rates ...	2,882,125	2,764,000	2,783,000	19,000	...	2,863,000	80,000	...
VII.—Customs	2,280,793	2,175,000	2,522,000	347,000	...	2,367,000	...	155,000
VIII.—Salt	7,266,413	7,541,000	7,053,000	...	488,000	7,153,000	100,000	...
IX.—Opium	10,319,162	9,410,000	10,498,000	1,088,000	...	8,763,000	...	1,735,000
X.—Stamps	3,193,739	3,194,000	3,259,000	65,000	...	3,290,000	31,000	...
XI.—Registration ...	269,239	265,000	287,000	22,000	...	290,000	3,000	...
XII.—Mint	230,569	196,000	89,000	...	107,000	89,000	...	...
XIII.—Post Office ...	1,004,372	1,008,000	1,029,000	21,000	...	967,000	...	62,000
XIV.—Telegraph ...	505,552	486,000	525,000	39,000	...	481,000	...	44,000
XV.—Minor Departments ...	99,282	81,000	84,000	3,000	...	101,000	17,000	...
XVI.—Law and Justice ...	658,902	680,000	665,000	...	15,000	664,000	...	1,000
XVII.—Police ...	227,657	232,000	237,000	5,000	...	236,000	...	1,000
XVIII.—Marine	258,187	226,000	210,000	...	16,000	210,000	...	...
XIX.—Education	139,414	137,000	152,000	15,000	...	143,000	...	9,000
XX.—Medical	56,329	40,000	44,000	4,000	...	42,000	...	2,000
XXI.—Stationery and Printing	56,019	45,000	62,000	17,000	...	61,000	...	1,000
XXII.—Interest	748,050	651,000	829,000	178,000	...	678,000	...	151,000
XXIII.—Superannuations ...	525,141	386,000	323,000	...	63,000	315,000	...	8,000
XXIV.—Miscellaneous ...	337,370	268,000	387,000	119,000	...	271,000	...	116,000
XXV.—Railways	7,120,466	7,545,000	7,670,000	125,000	...	7,950,000	280,000	...
XXVI.—Irrigatn. & Navigatn.	916,907	861,000	850,000	...	11,000	903,000	53,000	...
XXVII.—Other Public Works ...	503,066	471,000	487,000	16,000	...	485,000	...	2,000
XXVIII.—Provl. & Local Deficits	19,778	247,000	112,000	...	135,000	821,000	709,000	...
XXIX.—Army	1,029,483	833,000	950,000	117,000	...	814,000	...	136,000
English Contribution for Afghan War ...	...	...	2,000,000	2,000,000	...	3,000,000	1,000,000	...
Military Operations in Afghanistan ...	50,499	...	291,000	291,000	...	61,000	...	230,000
XXX.—Gain by Exchange ...	320,580	237,000	542,000	305,000	...	412,000	...	130,000
GRAND TOTAL ...	68,484,666	66,746,000	70,768,000	4,022,000	...	70,981,000	213,000	...
Deficit	1,182,949	...	6,269,000	6,686,000	...	...	...	...

Fort William;
Dept. of Finance and Commerce,
The 25th March 1881.

C. R. C. Kiernander,
Offg. Deputy Comptroller General.

OF INDIA IN INDIA AND IN ENGLAND.

1881-82.

EXPENDITURE.	Accounts, 1879-80.	Budget Estimates, 1880-81.	Regular Estimates, 1880-81.	Increase.	Decrease.	Budget Estimates, 1881-82.	Budget Estimates, 1881-82, compared with Regular Estimates, 1880-81. Increase.	Decrease.
CIVIL.	£	£	£	£	£	£	£	£
1.—Interest on Debt ...	6,172,596	5,895,000	5,907,000	12,000	...	6,287,000	380,000	...
2.—Interest, other Accounts	382,462	400,000	402,000	2,000	...	409,000	7,000	...
3.—Refunds and Drawbacks ...	368,606	318,000	434,000	116,000	...	350,000	...	84,000
4.—Land Revenue ...	2,937,185	2,995,000	2,983,000	...	12,000	3,032,000	49,000	...
5.—Forest ...	465,056	532,000	473,000	...	59,000	571,000	98,000	...
6.—Excise ...	111,413	111,000	95,000	...	16,000	99,000	4,000	...
7.—Assessed Taxes ...	29,886	20,000	23,000	3,000	...	15,000	...	8,000
8.—Provincial Rates ...	47,866	53,000	48,000	...	5,000	48,000	...	...
9.—Customs ...	201,280	204,000	200,000	...	4,000	206,000	6,000	...
10.—Salt ...	340,687	368,000	371,000	3,000	...	428,000	57,000	...
11.—Opium ...	2,067,492	2,160,000	2,030,000	...	130,000	2,263,000	233,000	...
12.—Stamps ...	114,324	105,000	96,000	...	9,000	114,000	18,000	...
13.—Registration ...	165,208	166,000	175,000	9,000	...	186,000	11,000	...
14.—Mint ...	94,631	111,000	80,000	...	31,000	105,000	25,000	...
15.—Post Office ...	1,145,552	1,142,000	1,176,000	34,000	...	1,098,000	...	78,000
16.—Telegraph ...	451,143	467,000	498,000	31,000	...	562,000	64,000	...
17.—Administration ...	1,492,280	1,466,000	1,543,000	77,000	...	1,519,000	...	24,000
18.—Minor Departments ...	358,241	437,000	408,000	...	29,000	458,000	50,000	...
19.—Law and Justice ...	3,280,822	3,353,000	3,220,000	...	133,000	3,351,000	131,000	...
20.—Police ...	2,495,549	2,513,000	2,515,000	2,000	...	2,571,000	56,000	...
21.—Marine ...	530,133	568,000	538,000	...	30,000	735,000	197,000	...
22.—Education ...	967,029	1,016,000	989,000	...	27,000	1,058,000	69,000	...
23.—Ecclesiastical ...	156,012	159,000	159,000	...	...	159,000	...	...
24.—Medical ...	668,746	709,000	670,000	...	39,000	698,000	28,000	...
25.—Stationery and Printing	418,464	482,000	493,000	11,000	...	512,000	19,000	...
26.—Political ...	430,571	436,000	506,000	70,000	...	562,000	56,000	...
27.—Allowces. & Assignments...	1,814,635	1,846,000	1,912,000	66,000	...	1,943,000	31,000	...
28.—Civil Furlough Allces. ...	215,092	233,000	223,000	...	10,000	234,000	11,000	...
29.—Superannuations ...	2,196,551	1,982,000	2,161,000	179,000	...	2,964,000	...	97,000
30.—Miscellaneous ...	341,868	264,000	285,000	21,000	...	271,000	...	14,000
31.—Famine Relief, Protective Works and Commissioners for Reduction of Debt...	103,990	5,000	47,000	42,000	...	1,500,000	1,453,000	...
32.—Railways ...	7,148,601	6,595,000	7,320,000	725,000	...	7,189,000	...	131,000
Frontier Railways ...	1,334,350	2,040,000	2,228,000	188,000	...	790,000	...	1,438,000
33.—Irrigation & Navigation...	1,133,963	1,077,000	1,200,000	123,000	...	1,385,000	185,000	...
34.—Other Public Works ...	3,892,409	4,306,000	4,530,000	224,000	...	5,035,000	505,000	...
35.—Provl. & Local Surpluses	633,077	131,000	202,000	71,000	...	114,000	...	88,000
36.—Army ...	16,896,239	16,163,000	16,413,000	250,000	...	16,459,000	46,000	...
Military Operations in Afghanistan ...	4,816,623	2,090,000	11,389,000	9,299,000	...	2,271,000	...	9,118,000
37.—Loss by Exchange ...	3,246,983	3,411,000	3,095,000	...	316,000	3,475,000	380,000	...
TOTAL ORDINARY ...	69,667,615	66,329,000	77,037,000	10,708,000	...	70,126,000	...	6,911,000
SURPLUS	...	417,000	...	...	...	855,000	7,124,000	...
38.—Productive Public Works	3,364,230	2,682,000	2,816,000	134,000	...	2,608,000	...	208,000
Pro. P. Works E. I. Railway	9,730,662	630,000	632,000	2,000	...	860,000	228,000	...
Do. do. Madras Irrigation and Canal Company's undertaking.	...	...	...	...	...	1,405,000	1,405,000	...

J. WESTLAND,
Offg. Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

II

REVENUE AND EXPENDITURE OF THE GOVERNMENT

(Distinguishing Revenue and Charge

Estimates

REVENUE.	Accounts, 1879-80.	Budget Estimates, 1880-81.	Regular Estimates, 1880-81.	Increase.	Decrease.	Budget Estimates, 1881-82.	Budget Estimates, 1881-82, compared with Regular Estimates, 1880-81. Increase.	Decrease.
CIVIL.	£	£	£	£	£	£	£	£
I.—Land Revenue ...	21,861,150	21,359,000	21,052,000	...	307,000	21,788,000	736,000	...
II.—Tributes	702,451	698,000	751,000	53,000	...	705,000	...	46,000
III.—Forest	676,234	690,000	699,000	9,000	...	770,000	71,000	...
IV.—Excise	2,838,021	2,782,000	3,075,000	293,000	...	3,031,000	...	44,000
V.—Assessed Taxes ...	785,318	535,000	550,000	15,000	...	550,000	...	...
VI.—Provincial Rates ...	2,882,125	2,764,000	2,783,000	19,000	...	2,863,000	80,000	...
VII.—Customs	2,280,793	2,175,000	2,522,000	347,000	...	2,367,000	...	155,000
VIII.—Salt	7,266,413	7,541,000	7,053,000	...	488,000	7,153,000	100,000	...
IX.—Opium	10,319,162	9,410,000	10,498,000	1,088,000	...	8,763,000	...	1,735,000
X.—Stamps	3,193,739	3,194,000	3,259,000	65,000	...	3,290,000	31,000	...
XI.—Registration ...	269,239	265,000	287,000	22,000	...	290,000	3,000	...
XII.—Mint	230,569	196,000	89,000	...	107,000	89,000	...	...
XIII.—Post Office ...	1,004,372	1,008,000	1,029,000	21,000	...	967,000	...	62,000
XIV.—Telegraph ...	505,552	486,000	525,000	39,000	...	481,000	...	44,000
XV.—Minor Departments...	99,282	81,000	84,000	3,000	...	101,000	17,000	...
XVI.—Law and Justice ...	658,902	680,000	665,000	...	15,000	664,000	...	1,000
XVII.—Police	227,657	232,000	237,000	5,000	...	236,000	...	1,000
XVIII.—Marine	258,187	226,000	210,000	...	16,000	210,000	...	...
XIX.—Education ...	139,414	137,000	152,000	15,000	...	143,000	...	9,000
XX.—Medical ...	56,329	40,000	44,000	4,000	...	42,000	...	2,000
XXI.—Stationery & Printing	56,019	45,000	62,000	17,000	...	61,000	...	1,000
XXII.—Interest	748,050	651,000	829,000	178,000	...	678,000	...	151,000
XXIII.—Superannuations ...	525,141	386,000	323,000	...	63,000	315,000	...	8,000
XXIV.—Miscellaneous ...	337,370	268,000	387,000	119,000	...	271,000	...	116,000
XXVI.—Irrigation & Navign.	193,067	181,000	194,000	13,000	...	180,000	...	14,000
XXVII.—Other Public Works	503,066	471,000	487,000	16,000	...	485,000	...	2,000
XXVIII.—Provl. & Local Deficits	19,778	247,000	112,000	...	135,000	821,000	709,000	...
XXIX.—Army	1,029,483	833,000	950,000	117,000	...	814,000	...	136,000
English Contribution for Afghan War ...	...	...	2,000,000	2,000,000	...	3,000,000	1,000,000	...
Military operations in Afghanistan ...	50,499	...	291,000	291,000	...	61,000	...	230,000
XXX.—Gain by Exchange ...	320,580	237,000	542,000	305,000	...	412,000	...	130,000
TOTAL ...	60,037,962	57,818,000	61,741,000	3,923,000	...	61,601,000	...	140,000
Revenue from Productive Public Works.								
XXV.—Railways—								
State (Gross Earnings)	1,548,728	1,920,000	2,175,000	255,000	...	2,420,000	245,000	...
Guaranteed (Net Traffic Receipts) ...	4,622,584	2,825,000	2,695,000	...	130,000	2,730,000	35,000	...
East Indian Railway ...	949,154	2,800,000	2,800,000	...	...	2,800,000	...	...
XXVI.—Irrign. & Navigation—								
Direct Receipts ...	708,041	680,500	661,000	...	19,500	739,000	78,000	...
Madras Irrigation and Canal Company (Net Traffic Receipts, &c.)	15,799	—500	—5,000	—4,500	...	—16,000	—11,000	...
I.—Portion of Land Revenue due to Irrigation	602,398	703,000	701,000	...	2,000	707,000	6,000	...
Total ...	8,446,704	8,928,000	9,027,000	99,000	...	9,380,000	353,000	...
GRAND TOTAL REVENUE ...	68,484,666	66,746,000	70,768,000	4,022,000	...	70,981,000	213,000	...
Deficit	1,182,949	...	6,269,000	6,686,000	...	...	...	...

Fort William;
Dept. of Finance and Commerce,
The 25th March 1881.

C. R. C. KIERNANDER,
Offg. Deputy Comptroller General.

OF INDIA IN INDIA AND IN ENGLAND.

of Productive Public Works.)

1881-82.

EXPENDITURE.	Accounts, 1879-80.	Budget Estimates, 1880-81.	Regular Estimates, 1880-81.	Increase.	Decrease.	Budget Estimates, 1881-82.	Budget Estimates, 1881-82, compared with Regular Estimates, 1880-81.	
							Increase.	Decrease.
CIVIL.	£	£	£	£	£	£	£	£
1.—Interest on Debt ...	4,590,482	4,014,000	3,740,000	...	274,000	3,838,000	98,000	...
2.—Interest, other Accounts...	382,462	400,000	402,000	2,000	...	409,000	7,000	...
3.—Refunds and Drawbacks...	368,606	318,000	434,000	116,000	...	350,000	...	84,000
4.—Land Revenue ...	2,937,185	2,995,000	2,983,000	...	12,000	3,032,000	49,000	...
5.—Forest	465,056	532,000	473,000	...	59,000	571,000	98,000	...
6.—Excise	111,413	111,000	95,000	...	16,000	99,000	4,000	...
7.—Assessed Taxes ...	29,886	20,000	23,000	3,000	...	15,000	...	8,000
8.—Provincial Rates ...	47,866	53,000	48,000	...	5,000	48,000	...	...
9.—Customs	201,280	204,000	200,000	...	4,000	206,000	6,000	...
10.—Salt	340,687	368,000	371,000	3,000	...	428,000	57,000	...
11.—Opium	2,067,492	2,160,000	2,030,000	...	130,000	2,263,000	233,000	...
12.—Stamps	114,324	105,000	96,000	...	9,000	114,000	18,000	...
13.—Registration	165,208	166,000	175,000	9,000	...	186,000	11,000	...
14.—Mint	94,631	111,000	80,000	...	31,000	105,000	25,000	...
15.—Post Office	1,145,552	1,142,000	1,176,000	34,000	...	1,098,000	...	78,000
16.—Telegraph	451,143	467,000	498,000	31,000	...	562,000	64,000	...
17.—Administration ...	1,492,280	1,466,000	1,543,000	77,000	...	1,519,000	...	24,000
18.—Minor Departments ...	358,241	437,000	408,000	...	29,000	458,000	50,000	...
19.—Law and Justice ...	3,280,822	3,353,000	3,220,000	...	133,000	3,351,000	131,000	...
20.—Police	2,495,549	2,513,000	2,515,000	2,000	...	2,571,000	56,000	...
21.—Marine	530,133	568,000	538,000	...	30,000	735,000	197,000	...
22.—Education	967,029	1,016,000	989,000	...	27,000	1,058,000	69,000	...
23.—Ecclesiastical ...	156,012	159,000	159,000	...	...	159,000	...	...
24.—Medical	668,746	709,000	670,000	...	39,000	698,000	28,000	...
25.—Stationery & Printing ...	418,464	482,000	493,000	11,000	...	512,000	19,000	...
26.—Political	430,571	436,000	506,000	70,000	...	562,000	56,000	...
27.—Allowces. & Assignments	1,814,635	1,846,000	1,912,000	66,000	...	1,943,000	31,000	...
28.—Civil Furlough Allowces.	215,092	233,000	223,000	...	10,000	234,000	11,000	...
29.—Superannuations ...	2,196,551	1,982,000	2,161,000	179,000	...	2,064,000	...	97,000
30.—Miscellaneous ...	341,868	264,000	285,000	21,000	...	271,000	...	14,000
31.—Famine Relief, Protective Works and Commissioners for reduction of Debt ...	103,990	5,000	47,000	42,000	...	1,500,000	1,453,000	...
32.—Railways	471,410	304,000	745,000	441,000	...	417,000	...	328,000
„ Frontier Railways	1,334,350	2,040,000	2,228,000	188,000	...	790,000	...	1,438,000
33.—Irrigation & Navigation ...	668,907	634,000	720,000	86,000	...	926,000	206,000	...
34.—Other Public Works ...	3,892,409	4,306,000	4,530,000	224,000	...	5,035,000	505,000	...
35.—Provl. & Local Surpluses	633,077	131,000	202,000	71,000	...	114,000	...	88,000
36.—Army	16,896,239	16,163,000	16,413,000	250,000	...	16,459,000	46,000	...
„ Military Operations in Afghanistan ...	4,816,623	2,090,000	11,389,000	9,299,000	...	2,271,000	...	9,118,000
37.—Loss by Exchange ...	3,246,983	3,411,000	3,095,000	...	316,000	3,475,000	380,000	...
EXPENDITURE ORDINARY ...	60,943,254	57,714,000	67,815,000	10,101,000	...	60,446,000	...	7,369,000
Expenditure on Productive Public Works (Working Expenses and Interest).								
32.—Railways—								
State—(Working and Maintenance) ...	1,215,231	1,326,000	1,573,000	247,000	...	1,669,000	96,000	...
Guaranteed (Interest, Surplus Profits, &c.) ...	5,427,563	3,661,000	3,698,000	37,000	...	3,516,000	...	182,000
East Indian Railway ...	34,397	1,304,000	1,304,000	...	...	1,587,000	283,000	...
33.—Irrigation & Navigation—								
Working and Maintenance	414,601	393,000	430,000	37,000	...	426,000	...	4,000
Madras Irrigation & Canal Company (Interest, &c.)	50,455	50,000	50,000	...	...	33,000	...	17,000
1.—Interest on Debt ...	1,582,114	1,881,000	2,167,000	286,000	...	2,449,000	282,000	...
Total ...	8,724,361	8,615,000	9,222,000	607,000	...	9,680,000	458,000	...
GRAND TOTAL ...	69,667,615	66,329,000	77,037,000	10,708,000	...	70,126,000	...	6,911,000
Surplus	...	417,000	...	...	...	855,000	7,124,000	...
38.—Productive Public Works	3,364,330	2,682,000	2,816,000	134,000	...	2,608,000	...	208,000
Do. do. E. I. Railway ...	9,730,862	630,000	632,000	2,000	...	860,000	228,000	...
Do. do. Madras Irrigation and Canal Company's undertakings	...	...	...	...	...	1,405,000	1,405,000	...

J. WESTLAND,
Offg. Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

III.

REVENUE AND EXPENDITURE OF THE GOVERNMENT OF INDIA IN INDIA AND

REVENUE.	Regular Estimates, 1880-81.				Budget Estimates, 1881-82.			
	Imperial.	Provincial.	Local.	Total.	Imperial.	Provincial.	Local.	Total.
	£	£	£	£	£	£	£	£
Opening Balance	...	1,723,100	1,299,900			1,794,500	1,320,100	
I.—Land Revenue	20,597,400	1,033,700	121,900	21,753,000	21,307,100	1,066,600	121,300	22,495,000
II.—Tributes	751,000	...	...	751,000	705,000	...	...	705,000
III.—Forest	651,200	24,200	23,600	699,000	722,500	23,600	23,900	770,000
IV.—Excise	632,300	2,441,300	1,400	3,075,000	632,200	2,397,500	1,300	3,031,000
V.—Assessed Taxes	367,400	182,600	...	550,000	367,700	182,300	...	550,000
VI.—Provincial Rates	165,900	411,300	2,205,800	2,783,000	170,900	412,100	2,280,000	2,863,000
VII.—Customs	2,281,700	240,300	...	2,522,000	2,123,500	243,500	...	2,367,000
VIII.—Salt	7,034,900	18,100	...	7,053,000	7,133,400	19,600	...	7,153,000
IX.—Opium	10,498,000	...	...	10,498,000	8,763,000	...	...	8,763,000
X.—Stamps	568,300	2,690,700	...	3,259,000	568,000	2,722,000	...	3,290,000
XI.—Registration	1,200	285,800	...	287,000	1,400	288,600	...	290,000
XII.—Mint	89,000	...	...	89,000	89,000	...	...	89,000
XIII.—Post Office	1,025,100	3,500	400	1,029,000	963,500	2,700	800	967,000
XIV.—Telegraph	525,000	...	...	525,000	481,000	...	...	481,000
XV.—Minor Departments	29,200	39,700	15,100	84,000	50,100	37,300	13,600	101,000
XVI.—Law and Justice	83,900	580,000	1,100	665,000	71,300	592,000	700	664,000
XVII.—Police	100	196,200	40,700	237,000	600	194,900	40,500	236,000
XVIII.—Marine	65,400	144,600	...	210,000	66,100	143,900	...	210,000
XIX.—Education	1,000	125,700	25,300	152,000	700	115,000	27,300	143,000
XX.—Medical	2,000	39,400	2,600	44,000	4,300	34,400	3,300	42,000
XXI.—Stationery and Printing ...	13,300	48,700	...	62,000	11,800	49,200	...	61,000
XXII.—Interest	805,600	14,300	9,100	829,000	654,000	13,400	10,600	678,000
XXIII.—Pensions	307,000	12,500	3,500	323,000	299,200	12,300	3,500	315,000
XXIV.—Miscellaneous	146,100	124,200	116,700	387,000	52,100	115,900	103,000	271,000
XXV.—Railways	7,202,500	467,500	...	7,670,000	7,420,000	530,000	...	7,950,000
XXVI.—Irrigation and Navigation ...	310,000	539,000	1,000	850,000	326,300	575,700	1,000	903,000
XXVII.—Other Public Works ...	65,300	300,200	121,500	487,000	64,800	299,400	120,800	485,000
XXVIII.—Provl. and Local Deficits ...	112,000	...	...	112,000	821,000	...	...	821,000
XXIX.—Army	950,000	...	...	950,000	814,000	...	...	814,000
English Contribution for Afghan War.	2,000,000	...	...	2,000,000	3,000,000	...	...	3,000,000
Military Operations in Afghanistan.	291,000	...	...	291,000	61,000	...	...	61,000
XXX.—Gain by Exchange	541,000	1,000	...	542,000	411,000	1,000	...	412,000
	58,113,800	9,964,500	2,689,700	70,768,000	58,156,500	10,072,900	2,751,600	70,981,000
Allotments	...	4,341,600	...	...	...	4,287,200	...	...
Contributions	...	115,200	154,700	...	...	98,100	171,100	...
Debt	...	...	5,200	...	...	...	...	...
Total ...	...	14,421,300	2,849,600			14,458,200	2,922,700	
GRAND TOTAL ...	...	16,144,400	4,149,500			16,252,700	4,242,800	
Provincial and Local Deficit ...	...	...	...			467,200	241,700	

Fort William;
Dept. of Finance and Commerce,
The 25th March 1881.

C. R. C. Kiernander,
Offg. Deputy Comptroller General.

IN ENGLAND IN THE THREE DIVISIONS, IMPERIAL, PROVINCIAL AND LOCAL.

EXPENDITURE.	Regular Estimates, 1880-81.				Budget Estimates, 1881-82.			
	Imperial.	Provincial.	Local.	Total.	Imperial.	Provincial	Local.	Total.
	£	£	£	£	£	£	£	£
1.—Interest	5,186,100	720,900	...	5,907,000	5,514,500	772,500	...	6,287,000
2.—Interest	397,900	900	3,200	402,000	404,900	900	3,200	409,000
3.—Refunds and Drawbacks ...	264,200	156,900	12,900	434,000	193,900	149,100	7,000	350,000
4.—Land Revenue	833,400	1,617,600	532,000	2,983,000	829,600	1,651,100	551,300	3,032,000
5.—Forest	442,900	12,600	17,500	473,000	531,900	16,800	22,300	571,000
6.—Excise	21,500	72,600	900	95,000	22,600	75,600	800	99,000
7.—Assessed Taxes	1,700	21,300	...	23,000	1,200	13,800	...	15,000
8.—Provincial Rates	...	4,900	43,100	48,000	...	4,900	43,100	48,000
9.—Customs	21,700	178,300	...	200,000	23,200	182,800	...	206,000
10.—Salt	310,300	60,700	...	371,000	368,200	59,800	...	428,000
11.—Opium	2,030,000	...	...	2,030,000	2,263,000	...	...	2,263,000
12.—Stamps	1,700	94,300	...	96,000	16,800	97,200	...	114,000
13.—Registration	200	174,800	...	175,000	500	185,500	...	186,000
14.—Mint	80,000	...	...	80,000	105,000	...	...	105,000
15.—Post Office	1,086,300	38,400	51,300	1,176,000	1,007,700	33,400	56,900	1,098,000
16.—Telegraph	498,000	...	...	498,000	562,000	...	...	562,000
17.—Administration	929,500	589,000	24,500	1,543,000	897,100	595,200	26,700	1,519,000
18.—Minor Departments	282,700	87,700	37,600	408,000	323,800	96,400	37,800	458,000
19.—Law and Justice	568,300	2,651,600	100	3,220,000	586,100	2,764,800	100	3,351,000
20.—Police	83,100	2,177,000	254,900	2,515,000	87,000	2,206,300	277,700	2,571,000
21.—Marine	397,300	140,700	...	538,000	557,000	178,000	...	735,000
22.—Education	11,100	715,500	262,400	989,000	9,200	738,200	310,600	1,058,000
23.—Ecclesiastical	118,300	40,700	...	159,000	118,100	40,900	...	159,000
24.—Medical	172,700	405,300	92,000	670,000	173,300	429,500	95,200	698,000
25.—Stationery and Printing ...	173,300	317,800	1,900	493,000	180,000	329,500	2,500	512,000
26.—Political	505,600	300	100	506,000	561,600	300	100	562,000
27.—Allowances	1,219,000	693,000	...	1,912,000	1,256,900	686,100	...	1,943,000
28.—C. F. & A. Allowances	222,500	500	...	223,000	233,500	500	...	234,000
29.—Superannuation	2,006,700	153,600	700	2,161,000	1,906,100	157,300	600	2,064,000
30.—Miscellaneous	85,900	119,200	79,900	285,000	69,700	116,300	85,000	271,000
31.—Famine Relief Protective Works and Commissioners for reduction of Debt.	2,000	45,000	...	47,000	1,500,000	...	...	1,500,000
32.—Railways	7,007,400	312,600	...	7,320,000	6,726,300	462,700	...	7,189,000
Frontier Railways	2,228,000	...	...	2,228,000	790,000	...	...	790,000
33.—Irrigation and Navigation ...	683,500	510,900	5,600	1,200,000	698,400	681,300	5,300	1,385,000
34.—Other Public Works	1,493,200	1,745,700	1,291,100	4,530,000	1,465,700	2,029,200	1,540,100	5,035,000
35.—P. & L. Surpluses	202,000	...	...	202,000	114,000	...	...	114,000
36.—Army	16,413,000	...	...	16,413,000	16,459,000	...	...	16,459,000
„ Military Operations in Afghanistan.	11,389,000	...	...	11,389,000	2,271,000	...	...	2,271,000
37.—Loss by Exchange	3,095,000	...	...	3,095,000	3,475,000	...	...	3,475,000
	60,465,000	13,860,300	2,711,700	77,037,000	52,303,800	14,755,900	3,066,300	70,126,000
Special Contributions to Imperial Treasury	...	335,000						
Contributions	...	154,600	115,200	...	...	169,500	98,100	
Debt	...	...	2,500	...	...	...	2,500	
Total ...		14,349,900	2,829,400			14,925,400	3,166,900	
Closing Balance		1,794,500	1,320,100			1,327,300	1,075,900	
GRAND TOTAL ...		16,144,400	4,149,500			16,252,700	4,242,800	
Provincial and Local Surplus ...	...	71,400	17,500	...	...	...	...	...
38.—Productive Public Works, Capital Expenditure.	3,448,300	...	...	3,448,300	4,873,000	...	...	4,873,000

J. WESTLAND,
Offg. Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

IV.

RECEIPTS AND DISBURSEMENTS AT THE TREASURIES OF

RECEIPTS.	Accounts, 1879-80.	Budget Estimates, 1880-81.	Regular Estimates, 1880-81.	Increase.	Decrease.	Budget Estimates, 1881-82.	Budget Estimates, 1881-82, compared with Regular Estimates, 1880-81. Increase.	Decrease.
	£	£	£	£	£	£	£	£
I.—Imperial revenue ...	68,484,666	66,746,000	70,768,000	4,022,000	...	70,981,000	213,000	...
II.—Public debt* ...	18,627,825	2,833,000	8,406,000	5,573,000	...	7,105,000	...	1,301,000
III.—Treasury notes and service funds ...	923,563	911,000	1,027,000	116,000	...	1,030,000	3,000	...
IV.—Savings banks' deposits	1,009,056	793,000	2,081,000	1,238,000	...	769,000	...	1,312,000
V.—Political and other excluded funds ...	542,923	491,000	481,000	...	10,000	452,000	...	29,000
VI.—Provincial and local surplus ...	633,077	131,000	202,000	71,000	...	114,000	...	88,000
VII.—Deposits & advances ...	47,474,228	12,198,000	36,412,000	24,214,000	...	24,366,000	...	12,046,000
VIII.—Loans to municipalities, native states, &c. ...	1,255,075	213,000	238,000	25,000	...	215,000	...	23,000
IX.—Guaranteed railway capital ...	3,043,443	1,709,000	1,815,000	106,000	...	1,643,000	...	172,000
X.—Money orders ...	1,354,477	...	4,367,000	4,367,000	...	5,433,000	1,066,000	...
XI.—Remittances in India ...	21,323,357	26,105,000	21,374,000	...	4,731,000	15,930,000	...	5,444,000
XII.—Secretary of State's bills drawn* ...	15,261,810	16,900,000	15,090,000	...	1,810,000	17,200,000	2,110,000	...
XIII.—Remittances between India and England ...	2,005,287	1,183,000	1,891,000	708,000	...	2,005,000	114,000	...
Total ...	181,938,787	130,213,000	164,152,000	33,939,000	...	147,243,000	...	16,909,000
Balance ...	13,910,078	16,000,000	15,300,001	...	699,999	16,510,000	1,209,999	...
GRAND TOTAL ...	195,848,865	146,213,000	179,452,001	33,239,001	...	163,753,000	...	15,699,001

* The Estimates in this Statement of the amounts to be borrowed and to be supplied to the Home Treasury by Bills in 1881-82 are the
that the Secretary of State will raise by Bills the exact amount stated

Abstract of the above showing how the

ACCOUNTS, 1879-80.				REGULAR ESTI	
	£		£		£
Public debt ...	14,836,022	Deficit of imperial revenue	14,278,141	Public debt ...	3,587,000
Treasury notes and service funds ...	13,100	Deposits and advances ...	2,155,776	Treasury notes and service funds ...	204,000
Savings banks' deposits ...	382,607	Balance increased ...	1,389,923	Savings banks' deposits ...	1,075,000
Political and other excluded funds ...	17,678			Surplus of provincial and local revenue ...	90,000
Surplus of provincial and local revenue ...	613,299			Loans to municipalities, native states, &c. ...	44,000
Loans to municipalities, native states, &c. ...	186,357			Deposits and advances ...	5,045,000
Guaranteed railway capital ...	465,191			Money orders ...	108,000
Secretary of State's bills drawn ...	347,716			Remittances ...	1,375,999
Money orders ...	75,321				
Remittances ...	886,549				
TOTAL ...	17,823,840	TOTAL ...	17,823,840	TOTAL ...	11,528,999

Fort William;
Dept. of Finance and Commerce,
The 25th March 1881.

C. R. C. KIERNANDER,
Offg. Deputy Comptroller General.

HE GOVERNMENT OF INDIA IN INDIA AND IN ENGLAND.

DISBURSEMENTS.	Accounts, 1879-80.	Budget Estimates, 1880-81.	Regular Estimates, 1880-81.	Increase.	Decrease.	Budget Estimates, 1881-82.	Budget Estimates, 1881-82, compared with Regular Estimates, 1880-81. Increase.	Decrease.
	£	£	£	£	£	£	£	£
1.—Imperial expenditure ...	82,762,807	69,641,000	80,485,000	10,844,000	...	74,999,000	...	5,486,000
2.—Public debt	3,791,803	2,127,000	4,819,000	2,692,000	...	4,583,000	...	236,000
3.—Treasury notes and service funds	910,463	516,000	823,000	307,000	...	817,000	...	6,000
4.—Savings banks' deposits ...	626,449	669,000	1,006,000	337,000	...	1,146,000	140,000	...
5.—Political and other excluded funds ...	525,245	572,000	670,000	98,000	...	492,000	...	178,000
6.—Provincial and local deficits	19,778	247,000	112,000	...	135,000	821,000	709,000	...
7.—Deposits and advances ...	49,630,004	11,749,000	31,367,000	19,618,000	...	26,915,000	...	4,452,000
8.—Loans to municipalities, native states, &c. ...	1,068,718	232,000	194,000	...	38,000	113,000	...	81,000
9.—Guaranteed railway capital	2,578,252	2,391,000	2,117,000	...	274,000	2,159,000	42,000	...
0.—Money orders	1,279,156	...	4,259,000	4,259,000	...	5,433,000	1,174,000	...
1.—Remittances in India ...	20,405,762	26,667,000	20,191,001	...	6,475,999	14,998,000	...	5,193,001
2.—Secretary of state's bills paid	14,914,094	16,900,000	15,201,000	...	1,699,000	17,200,000	1,999,000	...
3.—Remittances between India and England ...	2,036,333	1,252,000	1,698,000	446,000	...	2,087,000	389,000	...
Total ...	180,548,864	132,963,000	162,942,001	29,979,001	...	151,763,000	...	11,179,001
Balance ...	15,300,001	13,250,000	16,510,000	3,260,000	...	11,990,000	...	4,520,000
GRAND TOTAL ...	195,848,865	146,213,000	179,452,001	33,239,001	...	163,753,000	...	15,699,001

t that can now be made; but they are subject to modification as the year goes on; the Government must not be understood to pledge itself that the exact amount stated will be borrowed during the year.

Ways and Means are provided.

ATES, 1880-81.	£	BUDGET ESTIMATES, 1881-82.	£		£
EFICIT OF IMPERIAL REVENUE ...	9,717,000	Public debt	2,522,000	Deficit of imperial revenue	4,018,000
OLITICAL AND OTHER EXCLUDED FUNDS ...	189,000	Treasury notes and service funds	213,000	Savings banks' deposits ...	377,000
ECRETARY OF STATE'S BILLS PAID	111,000	Loans to municipalities, native states, &c. ...	102,000	Deficit of provincial and local revenue ...	707,000
UARANTEED RAILWAY CAPITAL	302,000	Remittances	850,000	Political and other excluded funds ...	40,000
ALANCE INCREASED ...	1,209,999	Balance reduced ...	4,520,000	Deposits and advances ...	2,549,000
				Guaranteed railway capital	516,000
TOTAL ...	11,528,999	TOTAL ...	8,207,000	TOTAL ...	8,207,000

J. WESTLAND,
Offg. Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

V.

REVENUE AND EXPENDITURE OF THI

Estimates

REVENUE.	Accounts, 1879-80.	Budget Estimates, 1880-81.	Regular Estimates, 1880-81.	Increase.	Decrease.	Budget Estimates, 1881-82.	Budget Estimates, 1881-82 compared with Regular Estimates, 1880-81. Increase.	Decrease.
CIVIL.	£	£	£	£	£	£	£	£
I.—Land Revenue ...	21,861,150	21,359,000	21,052,000	...	307,000	21,788,000	736,000	...
II.—Tributes	702,451	698,000	751,000	53,000	...	705,000	...	46,000
III.—Forest	674,743	688,409	697,300	8,900	...	768,100	70,800	...
IV.—Excise	2,838,021	2,782,000	3,075,000	293,000	...	3,031,000	...	44,000
V.—Assessed Taxes ...	785,318	535,000	550,000	15,000	...	550,000	...	...
VI.—Provincial Rates ...	2,882,125	2,764,000	2,783,000	19,000	...	2,863,000	80,000	...
VII.—Customs	2,280,793	2,175,000	2,522,000	347,000	...	2,367,000	...	155,000
VIII.—Salt	7,266,413	7,541,000	7,053,000	...	488,000	7,153,000	100,000	...
IX.—Opium	10,319,162	9,410,000	10,498,000	1,088,000	...	8,763,000	...	1,735,000
X.—Stamps	3,193,739	3,194,000	3,259,000	65,000	...	3,290,000	31,000	...
XI.—Registration ...	269,239	265,000	287,000	22,000	...	290,000	3,000	...
XII.—Mint	230,531	196,000	89,000	...	107,000	89,000	...	...
XIII.—Post Office ...	1,004,372	1,008,000	1,029,000	21,000	...	967,000	...	62,000
XIV.—Telegraph ...	478,376	463,100	494,800	31,700	...	452,600	...	42,200
XV.—Minor Departments ...	63,355	61,700	68,000	6,300	...	62,500	...	5,500
XVI.—Law and Justice ...	658,902	680,000	665,000	...	15,000	664,000	...	1,000
XVII.—Police	227,657	232,000	237,000	5,000	...	236,000	...	1,000
XVIII.—Marine	255,170	226,000	210,000	...	16,000	210,000	...	...
XIX.—Education	139,414	137,000	152,000	15,000	...	143,000	...	9,000
XX.—Medical ...	53,073	38,200	42,000	3,800	...	37,700	...	4,300
XXI.—Stationery and Printing	55,103	45,000	62,000	17,000	...	61,000	...	1,000
XXII.—Interest	714,869	641,000	647,300	6,300	...	668,000	20,700	...
XXIII.—Superannuation Contributions	424,198	291,700	220,400	...	71,300	215,600	...	4,800
XXIV.—Miscellaneous ...	325,285	262,000	293,400	31,400	...	265,000	...	28,400
XXV.—Railways	...	...	...	...	...	...	...	...
XXVI.—Irrigation and Navigation	193,067	181,000	194,000	13,000	...	180,000	...	14,000
XXVII.—Other Public Works ...	487,808	456,700	473,700	17,000	...	472,500	...	1,200
XXVIII.—Provincial and Local Deficit ...	19,778	247,000	112,000	...	135,000	821,000	709,000	...
XXIX.—Army	939,965	800,200	859,100	58,900	...	777,000	...	82,100
„ Military Operations in Afghanistan ...	50,499	...	291,000	291,000	...	61,000	...	230,000
XXX.—Gain by Exchange ...	320,580	237,000	542,000	305,000	...	412,000	...	130,000
Total ...	59,715,156	57,615,000	59,209,000	1,594,000	...	58,363,000	...	846,000
Revenue from Productive Public Works.								
XXV.—Railways—								
State (Gross Earnings)...	1,548,728	1,920,000	2,175,000	255,000	...	2,420,000	245,000	...
Guaranteed (Net Traffic Receipts) ...	4,622,584	2,825,000	2,694,800	...	130,200	2,729,800	35,000	...
East Indian Railway ...	949,154	2,800,000	2,800,000	...	...	2,800,000	...	...
XXVI.—Irrign. and Navigation—								
Direct Receipts ...	707,074	679,700	660,500	...	19,200	738,500	78,000	...
Madras Irrigation and Canal Company (Net Traffic Receipts, &c.)...	15,799	—500	—5,000	—4,500	...	—16,000	—11,000	...
I.—Portion of Land Revenue due to Irrigation	602,398	703,000	701,000	...	2,000	707,000	6,000	...
Total ...	8,445,737	8,927,200	9,026,300	99,100	...	9,379,300	353,000	...
GRAND TOTAL ...	68,160,893	66,542,200	68,235,300	1,693,100	...	67,742,300	...	493,000

Fort William;
Dept. of Finance and Commerce,
The 25th March 1881.

C. R. C. Kiernander,
Offg. Deputy Comptroller General.

GOVERNMENT OF INDIA IN INDIA.

1881-82.

EXPENDITURE.	Accounts, 1879-80.	Budget Estimates, 1880-81.	Regular Estimates, 1880-81.	Increase.	Decrease.	Budget Estimates, 1881-82.	Budget Estimates, 1881-82 compared with Regular Estimates, 1880-81. Increase.	Decrease.
CIVIL.	£	£	£	£	£	£	£	£
1.—Interest on Debt ...	1,884,506	1,644,100	1,400,000	...	244,100	1,367,300	...	32,700
2.—Interest, other Accounts	382,035	398,400	400,400	2,000	...	407,300	6,900	...
3.—Refunds and Drawbacks ...	368,606	318,000	434,000	116,000	...	350,000	...	84,000
4.—Land Revenue ...	2,936,536	2,994,400	2,982,500	...	11,900	3,031,100	48,600	...
5.—Forest	460,079	527,600	468,600	...	59,000	565,800	97,200	...
6.—Excise	111,413	111,000	95,000	...	16,000	99,000	4,000	...
7.—Assessed Taxes ...	29,886	20,000	23,000	3,000	...	15,000	...	8,000
8.—Provincial Rates ...	47,866	53,000	48,000	...	5,000	48,000	...	...
9.—Customs	201,280	204,000	200,000	...	4,000	206,000	6,000	...
10.—Salt	340,464	368,000	371,000	3,000	...	428,000	57,000	...
11.—Opium	2,067,336	2,159,500	2,029,900	...	129,600	2,262,500	232,600	...
12.—Stamps	76,974	77,500	63,200	...	14,300	74,000	10,800	...
13.—Registration	165,208	166,000	175,000	9,000	...	186,000	11,000	...
14.—Mint	86,348	91,500	76,500	...	15,000	85,200	8,700	...
15.—Post Office	1,018,120	1,043,800	1,073,200	29,400	...	997,900	...	75,300
16.—Telegraph	354,290	380,900	401,300	20,400	...	459,600	58,300	...
17.—Administration ...	1,278,509	1,245,500	1,302,400	56,900	...	1,298,900	...	3,500
18.—Minor Departments ...	329,848	415,100	378,100	...	37,000	438,700	60,600	...
19.—Law and Justice ...	3,279,873	3,350,900	3,219,600	...	131,300	3,349,600	130,000	...
20.—Police	2,495,549	2,513,000	2,515,000	2,000	...	2,571,000	56,000	...
21.—Marine	367,568	419,000	382,400	...	36,600	432,100	49,700	...
22.—Education	966,765	1,015,800	988,500	...	27,300	1,057,600	69,100	...
23.—Ecclesiastical	154,912	158,600	158,200	...	400	158,200	...	...
24.—Medical	660,845	701,400	662,500	...	38,900	690,500	28,000	...
25.—Stationery and Printing...	314,731	415,700	414,500	...	1,200	424,400	9,900	...
26.—Political	418,331	393,000	434,600	41,600	...	535,700	101,100	...
27.—Allowances and Assignts....	1,793,570	1,824,900	1,883,100	58,200	...	1,881,900	...	1,200
28.—Civil Furlo. Allowances	5,232	3,000	6,000	3,000	...	4,000	...	2,000
29.—Superannuations ...	874,365	646,300	790,000	143,700	...	708,000	...	82,000
30.—Miscellaneous ...	322,372	243,300	255,000	11,700	...	251,000	...	4,000
31.—Famine Relief Protective Works and Commissioners for reduction of Debt ...	103,647	5,000	45,500	40,500	...	1,500,000	1,454,500	...
32.—Railways ...	471,410	304,000	745,000	441,000	...	417,000	...	328,000
„ Frontier Railways	1,089,924	970,000	1,505,000	535,000	...	386,000	...	1,119,000
33.—Irrigation and Navigation	667,815	633,800	714,500	80,700	...	925,900	211,400	...
34.—Other Public Works ...	3,752,364	4,216,500	4,440,000	223,500	...	4,939,400	499,400	...
35.—Provincial & Local Surplus	633,077	131,000	202,000	71,000	...	114,000	...	88,000
36.—Army	12,781,795	12,131,900	12,307,500	175,600	...	12,392,000	84,500	...
„ Military Operations in Afghanistan ...	4,642,143	2,070,000	11,316,400	9,246,400	...	2,271,000	...	9,045,400
37.—Loss by Exchange ...	3,246,983	3,411,000	3,095,000	...	316,000	3,475,000	380,000	...
Total ...	51,182,575	47,776,400	58,002,400	10,226,000	...	50,804,600	...	7,197,800
Expenditure on Productive Public Works (Working Expenses and Interest).								
32.—Railways—								
State (Working & Maintenance)	1,215,231	1,326,000	1,573,000	247,000	...	1,669,000	96,000	...
Guaranteed (Interest surplus Profits, &c.) ...	725,084	404,000	443,500	39,500	...	249,000	...	194,500
East Indian Railway ...	...	125,000	122,800	...	2,200	204,600	81,800	...
33.—Irrigation & Navigation—								
Working and Maintenance	414,475	393,000	430,000	37,000	...	426,000	...	4,000
Madras Irrigation and Canal Company (Interest, &c.)	472	...	—200	—200	...	—200	...	...
1.—Interest on Debt ...	1,582,114	1,725,000	2,011,000	286,000	...	2,209,400	198,400	...
Total ...	3,937,376	3,973,000	4,580,100	607,100	...	4,757,800	177,700	...
GRAND TOTAL ...	55,119,951	51,749,400	62,582,500	10,833,100	...	55,562,400	...	7,020,100
38.—Productive Public Works	2,823,375	1,906,000	2,117,000	211,000	...	2,150,000	33,000	...
Do. do. E. I. Railway...	164,923	...	632,000	632,000	...	860,000	22,000	...

J. WESTLAND,
Offg. Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

VI

REVENUE AND EXPENDITURE OF THE HOMI

Estimate

REVENUE.	ACCOUNTS, 1879-80.	BUDGET ESTIMATES, 1880-81.	REGULAR ESTIMATES, 1880-81.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1881-82.	BUDGET ESTIMATES, 1881-82, COMPARED WITH REGULAR ESTIMATES, 1880-81.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
III.—FOREST	1,491	1,600	1,700	100	...	1,900	200	...
XII.—MINT	38	...	...	...	...	...	...	...
XIV.—TELEGRAPH ...	27,176	22,900	30,200	7,300	...	28,400	...	1,800
XV.—MINOR DEPARTMENTS	35,927	19,300	16,000	...	3,300	38,500	22,500	...
XVII.—MARINE ...	3,017	...	...	...	...	...	...	...
XX.—MEDICAL ...	3,256	1,800	2,000	200	...	4,300	2,300	...
XXI.—STATIONERY AND PRINTING ...	916	...	...	...	...	...	...	...
XXII.—INTEREST ...	33,181	10,000	181,700	171,700	...	10,000	...	171,700
XXIII.—SUPERANNUATION CONTRIBUTIONS ...	100,943	94,800	102,600	8,300	...	99,400	...	3,200
XXIV.—MISCELLANEOUS ...	12,085	6,000	93,600	87,600	...	6,000	...	87,600
XXV.—RAILWAYS ...	...	...	...	...	...	...	...	...
XXVI.—IRRIGATION ...	...	...	...	...	...	...	...	...
XXVII.—OTHER PUBLIC WORKS ...	15,258	14,300	13,300	...	1,000	12,500	...	800
XXIX.—ARMY ...	89,518	32,800	90,900	58,100	...	87,000	...	53,900
ENGLISH CONTRIBUTION FOR AFGHAN WAR ...	...	...	2,000,000	2,000,000	...	3,000,000	1,000,000	...
TOTAL ...	322,806	203,000	2,532,600	2,329,000	...	3,238,000	706,000	...
Revenue from Productive Public Works.								
XXV.—RAILWAYS ...	...	...	200	200	...	200	...	...
XXVI.—IRRIGATION ...	967	800	500	...	300	500	...	...
	967	800	700	200	300	700	...	
TOTAL ...	323,773	203,800	2,532,700	2,328,900	...	3,238,700	706,000	...

FORT WILLIAM;
DEPT. OF FINANCE AND COMMERCE,
The 25th March 1881.

C. R. C. KIERNANDER,
Offg. Deputy Comptroller General.

TREASURY OF THE GOVERNMENT OF INDIA.

1881-82.

EXPENDITURE.	ACCOUNTS, 1879-80.	BUDGET ESTIMATES, 1880-81.	REGULAR ESTIMATES, 1880-81.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1881-82.	BUDGET ESTIMATES, 1881-82, COMPARED WITH REGULAR ESTIMATES, 1880-81.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
1.—INTEREST ON DEBT ...	2,705,976	2,369,900	2,340,000	...	29,900	2,470,700	130,700	...
2.—INTEREST, OTHER ACCOUNTS	427	1,600	1,600	...	...	1,700	100	...
4.—LAND REVENUE ...	649	600	500	...	100	900	400	...
5.—FOREST	4,977	4,400	4,400	...	...	5,200	800	...
10.—SALT	223	...	...	...	...	...	...	...
11.—OPIUM	156	500	100	...	400	500	400	...
12.—STAMPS	37,350	27,500	32,800	5,300	...	40,000	7,200	...
14.—MINT	8,283	19,500	3,500	...	16,000	19,800	16,300	...
15.—POST OFFICE ...	127,432	98,200	102,800	4,600	...	100,100	...	2,700
16.—TELEGRAPH ...	96,853	86,100	96,700	10,600	...	102,400	5,700	...
17.—ADMINISTRATION ...	213,771	220,500	240,600	20,100	...	220,100	...	20,500
18.—MINOR DEPARTMENTS ...	28,393	21,900	29,900	8,000	...	19,300	...	10,600
19.—LAW AND JUSTICE ...	949	2,100	400	...	1,700	1,400	1,000	...
21.—MARINE	162,565	149,000	155,600	6,600	...	302,900	147,300	...
22.—EDUCATION	264	200	500	300	...	400	...	100
23.—ECCLESIASTICAL ...	1,100	400	800	400	...	800	...	...
24.—MEDICAL	7,901	7,600	7,500	...	100	7,500	...	...
25.—STATIONERY & PRINTING	103,783	66,300	78,500	12,200	...	87,600	9,100	...
26.—POLITICAL	12,240	43,000	71,400	28,400	...	26,300	...	45,100
27.—ALLOWANCES AND ASSIGNMENTS	21,065	21,100	28,900	7,800	...	61,100	32,200	...
28.—CIVIL FURLOUGH ALLOWANCES	209,860	230,000	217,000	...	13,000	230,000	13,000	...
29.—SUPERANNUATIONS ...	1,322,186	1,335,700	1,371,000	35,300	...	1,356,000	...	15,000
30.—MISCELLANEOUS ...	19,496	20,700	30,000	9,300	...	20,000	...	10,000
31.—FAMINE RELIEF ...	343	...	1,500	1,500	...	...	...	1,500
32.—RAILWAYS (FRONTIER RAILWAYS) ...	244,426	1,070,000	723,000	...	347,000	404,000	...	319,000
33.—IRRIGATION ...	1,092	200	5,500	5,300	...	100	...	5,400
34.—OTHER WORKS ...	140,045	89,500	90,000	500	...	95,600	5,600	...
36.—ARMY	4,114,444	4,031,100	4,105,500	74,400	...	4,067,000	...	38,500
„ . MILITARY OPERATIONS IN AFGHANISTAN ...	174,480	20,000	72,600	52,600	...	...	...	72,600
TOTAL ...	9,760,679	9,937,600	9,812,600	...	125,000	9,641,400	...	171,200
Expenditure on Productive Public Works.								
1.—INTEREST ...	...	156,000	156,000	...	...	239,600	83,600	...
32.—RAILWAYS (GUARANTEED)	4,702,479	3,257,000	3,254,500	...	2,500	3,267,000	12,500	...
E. I. RAILWAY	34,397	1,179,000	1,181,200	2,200	...	1,382,400	201,200	...
33.—IRRIGATION (MADRAS IRRIGATION AND CANAL COMPANY)	50,109	50,000	50,200	200	...	33,200	...	17,000
	4,786,985	4,642,000	4,641,900	...	100	4,922,200	280,300	...
TOTAL ...	14,547,664	14,579,600	14,454,500	...	125,100	14,563,600	109,100	...
38.—PRODUCTIVE PUBLIC WORKS	540,955	606,000	699,000	93,000	...	458,000	...	241,000
Do. do. E. I. RAILWAY	9,565,939	800,000	...	...	800,000	...	...	...
Do. do. MADRAS IRRIGN. & CANAL CO.'S UNDERTAKINGS	...	...	...	...	...	1,405,000	1,405,000	...

J. WESTLAND,
Offg. Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

VII

RECEIPTS AND DISBURSEMENTS AT THE TREASURIES

RECEIPTS.	Accounts, 1879-80.	Budget Estimates, 1880-81.	Regular Estimates, 1880-81.	Increase.	Decrease.	Budget Estimates, 1881-82.	Budget Estimates, 1881-82 compared with Regular Estimates, 1880-81. Increase.	Decrease.
	£	£	£	£	£	£	£	£
I.—Imperial Revenue ...	68,160,893	66,542,200	68,235,300	1,693,100	...	67,742,300	...	493,000
II.—Public Debt* ...	5,191,886	819,700	3,450,500	2,630,800	...	3,000,000	...	450,500
III.—Treasury Notes and Service Funds ...	920,021	911,000	1,023,300	112,300	...	1,026,200	2,900	...
IV.—Savings Banks' Deposits	1,009,056	793,000	2,081,000	1,288,000	...	769,000	...	1,312,000
V.—Political and other Excluded Funds ...	542,923	491,000	481,000	...	10,000	452,000	...	29,000
VI.—Provincial and Local Surplus... ...	633,077	131,000	202,000	71,000	...	114,000	...	88,000
VII.—Deposits & Advances ...	47,350,538	12,194,500	35,906,500	23,712,000	...	24,363,000	...	11,543,500
VIII.—Loans to Municipalities, Native States, &c.	1,255,075	213,000	238,000	25,000	...	215,000	...	23,000
IX.—Guaranteed Railway Capital ...	2,221,536	1,459,000	1,582,700	123,700	...	1,542,600	...	40,100
X.—Money Orders ...	1,354,477	(a)	4,367,000	4,367,000	...	5,433,000	1,066,000	...
XI.—Remittances in India ...	21,323,357	26,105,000	21,374,000	...	4,731,000	15,930,000	...	5,444,000
XIII.—Remittances between India and England ...	1,314,848	1,054,000	1,592,500	538,500	...	1,879,500	287,000	...
Total ...	151,277,687	110,713,400	140,533,800	29,820,400	...	122,466,600	...	18,067,200
Balance	12,792,153	14,193,075	13,029,894	...	1,163,181	12,799,993	...	229,901
GRAND TOTAL ...	164,069,840	124,906,475	153,563,694	28,657,219	...	135,266,593	...	18,297,101

* The Estimates in this Statement of the amounts to be borrowed and to be supplied to the Home Treasury by Bills in 1881-82 are th
that the Secretary of State will raise by Bills the exact amount stated; or that the exact amount state
(a) Taken Net unde

Abstract of the above showing how th

ACCOUNTS, 1879-80.	£		£	REGULAR EST	£
Surplus of Imperial Revenue ...	10,052,644	Deposits and Advances ...	2,272,289	Surplus of Imperial Revenue ...	2,903,800
Public Debt ...	4,009,583	Secretary of State's Bills paid	14,914,094	Public Debt ...	3,085,000
Treasury Notes and Service Funds ...	9,749	Balance increased ...	237,741	Treasury Notes and Service Funds ...	200,800
Savings Banks' Deposits ...	382,607			Savings Banks' Deposits ...	1,075,000
Political and other Excluded Funds ...	17,678			Surplus of Provincial and Local Revenue ...	90,000
Surplus of Provincial and Local Revenue ...	613,299			Deposits and Advances ...	4,545,100
Loans to Municipalities, Native States, &c. ...	186,357			Loans to Municipalities, Native States, &c. ...	44,000
Guaranteed Railway Capital	922,747			Guaranteed Railway Capital ...	502,900
Money Orders ...	75,321			Money Orders ...	108,000
Remittances ...	154,139			Remittances ...	2,605,499
				Balance reduced ...	229,901
TOTAL ...	17,424,124	TOTAL ...	17,424,124	TOTAL ...	15,390,000

Fort William;
Dept. of Finance & Commerce,
The 25th March 1881.

C. R. C. Kiernander,
Offg. Deputy Comptroller General.

)F THE GOVERNMENT OF INDIA IN INDIA.

DISBURSEMENTS.	Accounts, 1879-80.	Budget Estimates, 1880-81.	Regular Estimates, 1880-81.	Increase.	Decrease.	Budget Estimates, 1881-82.	Budget Estimates, 1881-82, compared with Regular Estimates, 1880-81. Increase.	Decrease.
	£	£	£	£	£	£	£	£
1.—Imperial expenditure ...	58,108,249	53,655,400	65,331,500	11,676,100	...	58,572,400	...	6,759,100
2.—Public debt ...	1,182,303	836,700	365,500	...	471,200	30,800	...	334,700
3.—Treasury notes, and service funds ...	910,272	516,000	822,500	306,500	...	816,400	...	6,100
4.—Savings banks' deposits ...	626,449	669,000	1,006,000	337,000	...	1,146,000	140,000	...
5.—Political and other excluded funds ...	525,245	572,000	670,000	98,000	...	492,000	...	178,000
6.—Provincial and local deficits	19,778	247,000	112,000	...	135,000	821,000	709,000	...
7.—Deposits and advances ...	49,622,827	11,745,500	31,361,400	19,615,900	...	24,412,000	...	6,949,400
8.—Loans to municipalities, native states, &c. ...	1,068,718	232,000	194,000	...	38,000	113,000	...	81,000
9.—Guaranteed railway capital	1,298,789	1,312,500	1,079,800	...	232,700	1,054,400	...	25,400
10.—Money orders ...	1,279,156	(a)	4,259,000	4,259,000	...	5,433,000	1,174,000	...
11.—Remittances in India ...	20,405,762	26,667,000	20,191,001	...	6,475,999	14,998,000	...	5,193,001
12.—Secretary of state's bills paid*	14,914,094	16,900,000	15,201,000	...	1,699,000	17,200,000	1,999,000	...
13.—Remittances between India and England ...	1,078,304	109,200	170,000	60,800	...	178,200	8,200	...
Total ...	151,039,946	113,462,300	140,763,701	27,301,401	...	125,267,200	...	15,496,501
Balance ...	13,029,894	11,444,175	12,799,993	1,355,818	...	9,999,393	...	2,800,600
GRAND TOTAL ...	164,069,840	124,906,475	153,563,694	28,657,219	...	135,266,593	...	18,297,101

est that can now be made; but they are subject to modification as the year goes on; the Government must not be understood to pledge itself ill be borrowed during the year; or that it will be borrowed in India or in England as the case may be.
Local Remittances."

Ways and Means are provided.

ATES, 1880-81.	£	BUDGET ESTIMATES, 1881-82.	£		£
Political and other excluded funds ...	189,000	Surplus of Imperial revenue	9,169,900	Savings banks' deposits ...	377,000
Secretary of state's bills paid ...	15,201,000	Public debt ...	2,969,200	Political and other excluded funds ...	40,000
		Treasury notes and service funds ...	209,800	Deficits of provincial and local revenue ...	707,000
		Loans to Municipalities, native states, &c. ...	102,000	Deposits and advances ...	49,000
		Guaranteed railway capital ...	488,200	Secretary of state's bills paid ...	17,200,000
		Remittances ...	2,633,300		
		Balance reduced ...	2,800,600		
TOTAL ...	15,390,000	TOTAL ...	18,373,000	TOTAL ...	18,373,000

J. WESTLAND,
Offg. Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

VIII.

RECEIPTS AND DISBURSEMENTS AT THE HOME

RECEIPTS.	Accounts, 1879-80.	Budget Estimates, 1880-81.	Regular Estimates, 1880-81.	Increase.	Decrease.	Budget Estimates, 1881-82.	Budget Estimates, 1881-82, compared with the Regular Estimates, 1880-81.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
I.—Public revenue ...	323,773	203,800	2,532,700	2,328,900	...	3,238,700	706,000	...
II.—Public debt*	13,435,939	2,013,300	4,955,500	2,942,200	...	4,105,000	...	850,500
III.—Service funds ...	3,542	...	3,700	3,700	...	3,800	100	...
VII.—Deposits and advances ...	123,690	3,500	505,500	502,000	...	3,000	...	502,500
IX.—Guaranteed railway capital	821,907	250,000	232,300	...	17,700	100,400	...	131,900
XII.—Secretary of state's bills drawn	15,261,810	16,900,000	15,090,000	...	1,810,000	17,200,000	2,110,000	...
XIII.—Remittances between India and England	690,439	129,000	298,500	169,500	...	125,500	...	173,000
Total ...	30,661,100	19,499,600	23,618,200	4,118,600	...	24,776,400	1,158,200	...
Balance	1,117,925	1,806,925	2,270,107	463,182	...	3,710,007	1,439,900	...
GRAND TOTAL ...	31,779,025	21,306,525	25,888,307	4,581,782	...	28,486,407	2,598,100	...

* The Estimates in this Statement of the amount to be supplied to the Home Treasury by Bills in 1880-81 and of the Debt transactions are the the Secretary of State will raise by Bills the exact amount stated, or that

Abstract of the above showing how the

ACCOUNTS, 1879-80.				REGULAR ESTI	
	£		£		£
Net Public debt ...	10,826,439	Deficit of revenue ...	24,330,785	Net public debt ...	502,000
Service funds	3,351	Net guaranteed railway capital	457,556	Service funds	3,200
Net deposits and advances ...	116,513	Net remittances between India and England ...	267,590	Net deposits and advances ...	499,900
Secretary of state's bills drawn	15,261,810	Balance increased ...	1,152,182	Secretary of state's bills drawn	15,090,000
TOTAL ...	26,208,113	TOTAL ...	26,208,113	TOTAL ...	16,095,100

Fort William;
Dept. of Finance and Commerce,
The 25th March 1881.

C. R. C. KIERNANDER,
Offg. Deputy Comptroller General.

TREASURY OF THE GOVERNMENT OF INDIA.

DISBURSEMENTS.	Accounts, 1879-80.	Budget Estimates, 1880-81.	Regular Estimates, 1880-81.	Increase.	Decrease.	Budget Estimates, 1881-82.	Budget Estimates, 1881-82, compared with the Regular Estimates, 1880-81.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
1.—Public expenditure ...	24,654,558	15,985,600	15,153,500	...	832,100	16,426,600	1,273,100	...
2.—Public debt	2,609,500	1,290,300	4,453,500	3,163,200	...	4,552,200	98,700	...
3.—Service funds	191	...	500	500	...	600	100	...
7.—Deposits and advances ...	7,177	3,500	5,600	2,100	...	2,503,000	2,497,400	...
9.—Guaranteed railway capital	1,279,463	1,078,500	1,037,200	...	41,300	1,104,600	67,400	...
13.—Remittances between India and England	958,029	1,142,800	1,528,000	385,200	...	1,908,800	380,800	...
TOTAL ...	29,508,918	19,500,700	22,178,300	2,677,600	...	26,495,800	4,317,500	...
Balance	2,270,107	1,805,825	3,710,007	1,904,182	...	1,990,607	...	1,719,400
GRAND TOTAL ...	31,779,025	21,306,525	25,888,307	4,581,782	...	28,486,407	2,598,100	...

best that can now be made; but they are subject to modification as the year goes on; the Government must not be understood to pledge itself that the Debt transactions will be carried out as estimated.

Ways and Means are provided.

MATES, 1880-81.		BUDGET ESTIMATES, 1881-82.			
	£		£		£
Deficit of revenue ...	12,620,800	Service funds ...	3,200	Deficit of revenue ...	13,187,900
Net guaranteed railway capital	804,900	Secretary of State's bills drawn	17,200,000	Net debt	447,200
Net miscellaneous remittances between India and England	1,229,500	Balance increased ...	1,719,400	Net deposits and advances ...	2,500,000
Balance increased ...	1,439,900			Net guaranteed railway capital	1,904,200
				Net miscellaneous remittances between India and England	1,783,300
TOTAL ...	16,995,100	TOTAL ...	18,922,600	TOTAL ...	18,922,600

J. WESTLAND,
Offg. Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

IX.

CLOSING BALANCES OF THE PROVINCIAL GOVERNMENTS.

	Regular Estimate, 1880-81.			Budget Estimate, 1881-82.		
	Provincial.	Local.	Total.	Provincial.	Local.	Total.
	£	£	£	£	£	£
India General	...	3,900	3,900	...	2,500	2,500
Central Provinces	67,000	40,600	107,600	79,500	31,500	111,000
British Burmah	288,800	92,400	381,200	111,200	23,800	135,000
Assam	46,000	1,100	47,100	12,500	...	12,500
Bengal	463,200	179,100	642,300	88,100	52,100	140,200
North-Western Provinces and Oudh	614,400	278,400	892,800	699,000	304,600	1,003,600
Punjab	141,700	84,700	226,400	135,800	85,900	221,700
Madras	60,800	507,300	568,100	69,000	476,400	545,400
Bombay	112,600	132,600	245,200	132,200	99,100	231,400
Total ...	1,794,500	1,320,100	3,114,600	1,327,300	1,075,900	2,403,200

Fort William;
Dept. of Finance and Commerce,
The 25th March 1881.

C. R. C. KIERNANDER,
Offg. Deputy Comptroller General.

J. WESTLAND,
Offg. Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

TABLE I.—*Miscellaneous.*

	1874-75.	1875-76.	1876-77.	1877-78.	1878-79.	1879-80.	1880-81.	1881-82.
	£	£	£	£	£	£	£	£
DEFICIT of recorded Revenue compared with whole recorded Expenditure	3,930,374	2,601,684	5,992,062	8,334,139	2,337,507	4,547,279	9,717,000	4,018,000
PRODUCTIVE PUBLIC WORKS, Capital Expenditure	4,249,571	4,270,629	3,809,284	4,791,052	4,381,898	3,364,330	3,448,000	4,873,000
Recorded Revenue compared with the recorded Expenditure, excluding Expenditure on Productive Public Works—								
SURPLUS	319,197	1,668,945	.....	.....	2,044,391	.....	.....	855,000
DEFICIT	.....	.....	2,182,778	3,543,087	.....	1,182,949	6,269,000	.....
Net Public Debt incurred	8,398,168	4,109,522	4,750,145	7,345,416	4,199,268	5,105,160*	3,587,000	2,522,000
NET PUBLIC DEBT incurred, including Capital transactions with Guaranteed Railway and other Companies and Native States, &c.	4,382,300	2,878,300	3,317,000	6,496,200	3,209,100	5,756,708	3,329,000	2,108,000
Value of commodities exported, excluding Gold and Silver ...	56,359,000	58,091,000	61,014,000	65,222,000	60,937,000	67,212,000		
Value of commodities imported, excluding Gold and Silver ...	36,222,000	38,887,000	37,428,000	41,464,000	37,800,000	41,166,000		
EXCESS OF EXPORTS OVER IMPORTS, excluding Gold and Silver ...	20,137,000	19,204,000	23,586,000	23,758,000	23,137,000	26,046,000		
Net imports of Gold	1,874,000	1,545,000	207,000	468,000	(Exports) 896,000	1,750,000		
Net imports of Silver	4,642,000	1,553,000	7,199,000	14,676,000	3,970,000	7,870,000		
TOTAL NET IMPORTS OF GOLD AND SILVER	6,516,000	3,098,000	7,406,000	15,144,000	3,074,000	9,620,000		
Excess of Exports over Imports, including Gold and Silver ...	13,621,000	16,106,000	16,180,000	8,614,000	20,063,000	16,426,000		
Grand total value of Imports and Exports of all kinds ...	102,348,000	104,480,000	113,908,000	126,252,000	109,777,000	122,069,000		
SECRETARY OF STATE'S BILLS sold (Rupees) ... Rs.	11,74,37,000	13,75,00,000	14,85,70,000	11,69,85,000	18,78,21,000	18,95,71,000	18,15,00,000	20,64,00,000
Sterling Equivalent received ... ... £	10,841,600	12,390,000	12,696,000	10,134,000	15,465,000†	15,749,000‡	15,092,000	17,200,000
SILVER coined at the Indian Mints	4,897,000	2,550,000	6,271,000	16,180,000	7,210,770	10,257,093	4,112,230	
Gold coined in Germany	.....	12,756,000	2,873,000	7,112,000	5,475,340	1,509,877		
Silver coined in Germany	.....	6,602,000	9,523,000	1,669,000	88,498	...		
Maximum PRICE OF AN OZ. TROY STANDARD SILVER IN LONDON	59¼*d.* (25th April)	57⅜*d.* (27th April)	58⅜*d.* (18th Jan.)	55⅝ (8th Oct.)	54¼*d.* (2nd April)	53¾ (Nov.)	52 1/16 (July)	
Minimum ditto	57*d.* (9th March)	52⅜*d.* (22ndMarch)	47*d.* (7th July)	53½ (21st June)	48⅛*d.* (21st Dec.)	49⅛ (April)	51 (January)	
Maximum price of a sovereign in Calcutta ... ... Rs.	10 12 0	11 12 0	13 (7th July)	11 14 0 (5th Sept.)	12 11 (March)	12 11 (May)	12—1 to 6 (throughout the year).	
Minimum ditto ... ... ,,	10 9 0	11	11 Rs. 3as. (6th Feb.)	11 4 0 (10th April)	11 11 (11th June)	11 15 (Jan.)		
AVERAGE EXCHANGE upon Secy. of State's Bills sold per rupee £	1*s.* 10·22*d.*	1*s.* 9·64*d.*	1*s.* 8·49*d.*	1*s.* 8·79*d.*	1*s.* 7·761*d.*	1*s.* 7·91*d.*	1*s.* 7·95	1*s.* 8*d.*
Fixed RATE OF EXCHANGE for the ADJUSTMENT of transactions between the Indian and Imperial Treasuries	1*s.* 10*d.*	1*s.* 10¼*d.*	1*s.* 9⅜*d.*	1*s.* 9½*d.*	1*s.* 9*d.*	1*s.* 7½*d.*	1*s.* 8½*d.*	1*s.* 8*d.*
Maximum RATE OF DISCOUNT ON LOANS on demand at the BANK OF BENGAL, Calcutta	11 (11th April)	9 (May)	11 (April)	12 (May)	9 (1st April)	9 (April)	7 (April)	
Minimum ditto	3½ (July to Nov.)	4 (Nov.&Dec.)	5 (Aug. & Sept.)	(Dec.&Jan.)	3 (7th Nov.)	3 (Jan.)	3 (Nov. to Jan.)	
Maximum RATE OF DISCOUNT at the BANK OF ENGLAND ...	6 (Dec.)	4 (Oct. & Jan.)	2 throughout the year	5 (Oct.&Nov.)	6 (Oct. & Nov.)	3 (Apl. to Oct.)	3 (April)	
Minimum ditto	2½ (July)	2 (Aug.)		2 (subsequently)	2½ (30th May)	2 (Nov. to Feb.)	2½ (Subsequently)	
Maximum MONEY BALANCES of the three PRESIDENCY BANKS ...	6,927,800 (July)	7,041,800 (July)	6,382,700 (July)	7,574,900 (Jan.)	6,978,500 (July)	7,733,500 (Feb.)	7,472 500 (Feb.)	
Minimum ditto	4,359,200 (May)	4,762,300 (May)	4,132,500 (Oct.)	3,672,200 (April)	4,589,300 (Jan.)	4,150,400 (April)	4,814 500 (May)	
Maximum price in Calcutta of Govt. FOUR PER CENT. RUPEE SECURITIES	104¾ (15th July)	102⅞ (3rd June)	102⅜ (25th July)	98½ (27th June)	97 (July & Aug.)	95¾ (July)	102 0 (Mar.)	
Minimum ditto	101½ (25th March)	99 (21st March)	96¼ (13th Jan.)	92 (8th Sept.)	91⅞ (March)	91¼ (May)	93 10 (May)	
Maximum amount outstanding on London Register, of RUPEE SECURITIES ENFACED FOR INTEREST DRAFTS	14,214,617 (Nov.)	14,407,861 (Oct.)	14,125,982 (April)	14,588,744	15,950,002 (Feb.)	19,431,239 (Mar.)	19,736 553 (June)	
Minimum ditto	13,098,988 (May)	14,111,441 (April)	12,655,322 (Dec.)	13,057,964	13,826,493 (Oct.)	15,908,182 (May)	18,726,346 (Feb.)	
Maximum price in London of such securities (in Gold)	98	93½ (7th April)	92 (15th Dec.)	84½ (5th April)	81¾ (1st April)	80¾ (Oct.)	84¼ (Feb. & Mar.)	
Minimum ditto	93⅓	82 (4th March)	77 (6th July)	81¼ (23rd Jan.)	72 (23rd Oct.)	71½ (May)	78 (May)	
Maximum price in London of Secretary of State's FOUR PER CENT. STERLING BONDS	104⅞ (Feb.)	106½ (5th Aug.)	104⅝ (22nd Feb.)	104½ (30th Aug.)	104⅜ July&Aug.)	105½	105¾ (Jan.)	
Minimum ditto	100⅜ (April)	102¾ (3rd June)	101 (20th Oct.)	100½ (21st Mar.	97 (Oct.)	100⅜	101¼ (Sep.)	
Maximum GOVERNMENT PAPER CURRENCY outstanding ...	11,327,607 (7th Feb.)	12,161,224 (22nd Oct.)	12,551,185 (7th Feb.)	15.757,790 (15th Jan.)	14,584,900 (Sept.)	14,329,700 (Jan.)	14,513 100 (Dec.)	
Minimum ditto	9,221,438 (7th April)	10,668,628 (7th May)	10,532.294 (15th May)	11,130,528 (30th April)	11,423,600 (March)	11,113,800 (June)	12,528 400 (Apl.)	
Number of SAVINGS BANKS	326	330	340	343	338	371	384	
Number of Depositors in Savings Banks	67,316	73,401	80,004	83,518	84,503	91,288	106,058	
Amount deposited in Savings Banks	1,746,793	1,895,452	1,936,193	1,925,335	1,912,401	2,282,823	3,229,472	
Average of each Deposit	25	25	24	23	22	25	30	
Net addition to Deposits	9,936	148,659	40,741	10,858 (Decrease)	12,934 (Decrease)	370,422	946,649	
Cash Reserve at the BANK OF FRANCE in December of each year —in 000's of Francs	1,325,300	1,679,300	2,169,000	2,042,500	2,041,700	1,979,017	1,786,873	
Silver ditto ditto ...	313,200	505,000	638,600	865,400	1,058,100	1,220,501	1,222,604	
Percentage of Silver on the Total Reserve	24	31	30	43	52	62	68	

* Exclusive of £9,730,862 Debt incurred for the purchase of the East Indian Railway.

† Includes £1,516,193, amount remitted by Bills of Exchange on London.

‡ Includes £486,947, Gold remittances from India.

APPENDIX.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE II.—*Sea-borne Trade for the year. (Principal articles arranged in order of their declared value.)*

No.	EXPORTS.		1875-76.	1876-77.	1877-78.	1878-79.	1879-80.
1	OPIUM—						
	Quantity	Chests	88,350	96,870	92,820	91,200	105,507
	Value	£	11,148,426	12,404,748	12,374,355	12,993,979	14,323,314
	Average declared value per chest, in Rupees	Rs.	1,261	1,281	1,333	1,425	1,358
2	COTTON—						
	Raw—						
	Quantity	Cwt.	5,009,788	4,557,914	3,459,077	2,966,060	3,948,476
	Value	£	13,278,964	11,746,184	9,383,534	7,913,046	11,145,453
	Average declared value per lb.— Annas		As. 3 9	As. 3 8	As. 3 10	As. 3 10	As. 4 0
	Average declared value per lb.— Pence, at average exchange		5·13	4·71	4·98	4·73	4·98
	Twist and Yarn—						
	Quantity	Lbs.	6,228,511	7,926,710	15,600,291	21,332,508	35,862,474
	Value	£	266,951	367,303	682,059	886,481	1,109,234
	Average declared value per lb.	Annas	As. 6 10	As. 7 5	As. 7 0	As. 6 7	As. 6 10
	Other manufactures—Value...	£	396,472	445,079	460,674	511,498	512,513
	Average declared value per yard— Grey or unbleached ...	Annas	As. 2 6	As. 2 6	As. 2 3	As. 2 1	As. 2 0
	Average declared value per yard— Coloured, printed, or dyed ...	„	As. 4 9	As. 5 3	As. 4 10	As. 4 7	As. 4 5
	Percentage of manufactures on whole value exported		4·76	6·47	10·85	15·01	12·70
3	RICE AND PADDY—						
	Quantity	Cwt.	20,416,032	19,914,334	18,428,386	21,237,233	22,165,765
	Value	£	5,311,095	5,815,221	6,950,276	8,973,722	8,402,502
	Average declared value of husked rice per cwt.— Rupees		2 9 8	2 15 1	3 12 6	4 4 4	3 12 11
	Average declared value of husked rice per cwt.— Shillings, at average exchange		4·70	5·02	6·55	7·03	6·33
4	JUTE—						
	Raw and manufactured—Value	£	3,294,521	3,356,124	4,289,241	4,898,860	5,565,394
	Average declared value of raw jute per cwt.— Rupees		5 6 2	5 13 1	6 7 3	6 5 0	6 8 8
	Average declared value of raw jute per cwt.— Shillings, at average exchange		9·72	9·94	11·18	10·39	10·87
	Percentage of manufactures on whole value exported		14·85	21·43	17·97	22·42	21·48
5	SEEDS—						
	Quantity	Cwt.	10,506,822	9,582,865	12,187,020	7,200,977	7,091,469
	Value	£	5,461,982	5,319,124	7,360,284	4,675,036	4,685,893
	Average declared value of linseed per cwt.— Rupees		5 4 6	5 5 11	5 13 10	6 3 11	6 8 8
	Average declared value of linseed per cwt.— Shillings, at average exchange		9·52	9·17	10·16	10·28	10·87
6	HIDES AND SKINS—						
	Quantity	No.	19,433,332	19,792,877	22,916,317	21,223,403	24,291,356
	Value	£	2,943,575	2,998,684	3,756,888	3,096,847	3,738,095
	Percentage of dressed or manufactured to whole value		40·44	49·77	48·29	42·06	36·35
7	TEA—						
	Quantity	Lbs.	24,361,599	27,784,124	33,459,075	34,432,573	38,173,521
	Value	£	2,166,417	2,607,425	3,044,571	3,138,424	3,051,023
	Average declared value per lb.— Annas		As. 14 3	As. 15 0	As. 14 6	As. 14 7	As. 12 9
	Average declared value per lb.— Shillings, at average exchange		1·60	1·69	1·57	1·50	1·33
8	INDIGO—						
	Quantity	Cwt.	110,392	100,384	120,605	105,051	100,923
	Value	£	2,875,062	2,962,785	3,494,334	2,960,462	2,947,227
	Average declared value per cwt.— Rupees		260 7 0	295 2 4	289 11 9	281 13 0	292 0 5
	Average declared value per cwt.— Sterling, at average exchange ...	£	23·48	25·19	25·09	23·20	24·26
9	COFFEE—						
	Quantity	Cwt.	371,986	302,489	297,327	341,186	359,313
	Value	£	1,627,027	1,345,822	1,338,499	1,543,643	1,626,747
	Average declared value per cwt.— Rupees		43 11 10	44 7 10	45 0 3	45 3 11	45 4 5
	Average declared value per cwt.— Shillings, at average exchange		78·88	75·97	77·98	74·50	75·23
10	WOOL—						
	Raw and manufactured—Value	£	1,295,193	1,293,490	1,151,518	1,243,275	1,242,486
	Average declared value of raw wool per lb.— Annas		As. 7 4	As. 7 2	As. 6 6	As. 6 4	As. 6 8
	Average declared value of raw wool per lb.— Pence, at average exchange		9·95	9·22	8·44	7·82	8·31
11	WHEAT—						
	Quantity	Cwt.	2,498,185	5,583,336	6,340,150	1,044,709	2,195,550
	Value	£	901,026	1,956,332	2,856,990	513,778	1,121,015
	Average declared value per cwt.— Rupees		3 9 8	3 8 0	4 8 1	4 14 8	5 1 8
	Average declared value per cwt.— Shillings, at average exchange		6·51	5·98	7·80	8·09	8·48
12	SILK—						
	Raw and manufactured—Value	£	656,728	1,000,566	854,629	746,687	744,659
	Average declared value of raw silk per lb.— Rupees		3 2 9	5 7 8	4 10 6	4 4 7	3 10 1
	Average declared value of raw silk per lb.— Shillings, at average exchange		5·72	9·25	8·06	7·06	6·12
13	OILS—						
	Value	£	423,583	377,740	371,552	537,579	569,453
14	SALTPETRE—						
	Quantity	Cwt.	415,080	466,218	389,002	382,405	509,372
	Value	£	348,949	381,706	379,002	361,766	469,797
	Average declared value per cwt.— Rupees		8 6 7	8 3 0	9 11 11	9 7 4	9 3 7
	Average declared value per cwt.— Shillings, at average exchange		15·16	13·96	16·88	15·57	15·33
15	LAC—						
	Value	£	755,747	536,976	362,048	298,716	371,490
16	TEAK WOOD—						
	Quantity	Cubic Tons.	60,612	45,108	56,939	37,413	38,620
	Value	£	440,618	332,764	406,652	268,959	281,959
	Average declared value per cubic ton— Rupees		72 11 1	73 12 4	71 6 8	71 14 3	73 0 2
	Average declared value per cubic ton— Sterling, at average exchange ...	£	6·83	6·29	6·19	5·92	6·07
17	SUGAR—						
	Value	£	253,937	925,196	745,851	204,360	205,871

APPENDIX.

COMMERCIAL AND FINANCIAL STATISTICS.

Sea-borne Trade for the year, &c.—continued.

No.	IMPORTS.		1875-76.	1876-77.	1877-78.	1878-79.	1879-80.
1	COTTON—						
	Twist and Yarn—						
	Quantity	Lbs.	31,927,340	33,270,208	36,196,661	33,145,651	33,212,952
	Value	£	2,794,769	2,733,535	2,850,616	2,779,774	2,745,306
	Average declared value per lb. ... { Annas	...	14·00	13·14	12·60	13·42	13·23
	{ Pence, at average exchange	...	1s. 6·93d.	1s. 4·83d.	1s. 4·37d.	1s 4·57d.	1s. 4·48d.
	Other manufactures—						
	Value	£	16,463,875	16,012,932	17,332,639	14,137,694	16,923,747
	TOTAL COTTON GOODS—Gross Imports	£	19,258,644	18,746,467	20,183,255	16,917,468	19,669,053
	Re-exports—						
	Twist and Yarn—						
	Quantity	*Lbs.*	*792,668*	*839,539*	*934,437*	*754,648*	*842,239*
	Value	£	*57,424*	*58,423*	*62,733*	*51,217*	*54,712*
	Other manufactures—						
	Value	£	*984,105*	*1,064,392*	*1,089,614*	*1,132,627*	*1,061,457*
	Total Re-exports	£	*1,041,529*	*1,122,815*	*1,152,347*	*1,183,844*	*1,116,169*
	TOTAL COTTON GOODS—Net Imports	£	18,217,115	17,623,652	19,030,908	15,733,624	18,552,884
2	METALS	Value £	3,310,452	3,722,165	3,736,958	3,372,903	3,444,195
3	RAILWAY PLANT AND ROLLING-STOCK	„ „	1,079,105	1,194,145	1,727,560	1,491,831	1,528,497
4	SILK (Raw and Manufactured)	„ „	1,403,755	1,036,684	1,482,951	1,491,285	1,521,126
5	LIQUORS	„ „	1,702,197	1,585,345	1,683,655	1,372,487	1,496,108
6	COAL (excluding coke and patent fuel)—						
	Quantity	Tons.	388,480	523,384	603,731	473,027	587,634
	Value	£	647,562	918,309	1,004,942	881,444	1,125,482
	Average declared value per ton— { Rupees	...	16·67	17·54	16·64	18·63	19·15
	{ Shillings, at average exchange	...	31·01	30·34	28·83	30·68	31·82
7	SUGAR	Value £	895,927	403,556	798,036	1,480,880	1,068,788
8	PROVISIONS	„ „	713,537	661,059	858,797	975,835	1,048,832
9	WOOLLEN MANUFACTURES	„ „	1,119,274	911,890	955,142	961,666	1,028,450
10	SALT—						
	Quantity	Tons.	365,251	298,776	254,231	274,180	352,238
	Value	£	600,934	430,890	401,366	593,612	762,532
	Average declared value per ton— { Rupees	...	16·45	14·42	15·78	21·65	21·65
	{ Shillings, at average exchange	...	29·66	24·62	27·35	35·65	35·97
11	MACHINERY AND MILL-WORK	Value £	1,439,921	963,504	873,960	893,875	644,192
12	APPAREL	„ „	634,257	542,915	579,106	546,089	561,293
13	OILS	„ „	70,212	78,413	295,667	369,865	545,931
14	SPICES	„ „	395,988	432,989	488,884	509,043	526,328

TABLE III.—*Sea-borne Trade for the first Eleven Months.* (*Principal articles arranged in order of their declared value.*)

	1876-77.	1877-78.	1878-79.	1879-80.	1880-81.
	£	£	£	£	£
Value of commodities exported, excluding gold and silver	54,413,515	58,786,932	54,091,635	59,415,349	66,289,026
Value of commodities imported, excluding gold and silver	33,707,391	37,951,251	35,074,932	37,227,741	48,396,363
Excess Exports ...	20,706,124	20,835,681	19,016,703	22,187,608	17,892,663
Net imports of silver	6,750,153	13,545,183	2,918,401	7,383,811	3,699,808
Net imports of gold	— 49,496	357,368	—626,355	1,541,408	3,301,373
TOTAL NET IMPORTS OF GOLD AND SILVER ...	6,700,657	13,902,551	2,292,046	8,925,219	7,001,181
GRAND TOTAL IMPORTS AND EXPORTS OF ALL KINDS ...	102,474,278	114,868,660	98,314,520	109,525,132	124,447,626

APPENDIX.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE III.—*Sea-borne Trade for the first Eleven Months*—continued.

No.	EXPORTS.		ELEVEN MONTHS, 1ST APRIL TO THE END OF FEBRUARY				
			1876-77.	1877-78.	1878-79.	1879-80.	1880-81.
1	COTTON, RAW	Quantity ... ... Cwts.	4,019,557	2,946,559	2,506,961	3,319,874	3,972,192
		Value ... ... £	10,252,348	7,954,923	6,729,895	9,241,633	11,634,098
		Average value per lb. ... Rs.	0-3-8	0-3-10	0-3-10	0-4-0	0-4-2
	,, MANUFACTURES—						
	Twist and Yarn	Quantity ... ... lbs.	7,218,187	13,718,966	19,594,511	23,630,781	23,883,678
		Value ... ... £	335,068	600,833	817,972	1,000,194	1,136,519
		Average value per lb. ... Rs.	0-7-5	0-7-0	0-6-8	0 6-9	0-7-7
	Other manufactures—Value ... ... £		404,603	423,569	465,000	467,440	577,247
	TOTAL COTTON (RAW AND MANUFACTURED) ... £		10,992,019	8,979,325	8,012,867	10,709,267	13,347,864
2	OPIUM	Quantity ... ... Chests	89,237	85,168	83,386	99,011	82,609
		Value ... ... £	11,445,898	11,334,275	11,897,361	13,420,519	12,164,628
		Average value per chest ... Rs.	1,282-10-3	1,330-13-0	1,426-12-6	1,355-7-4	1,472-8-11
3	RICE AND PADDY.	Quantity ... ... Cwts.	15,508,828	14,138,721	16,090,476	16,588,376	21,432,054
		Value ... ... £	4,523 370	5,417,382	7,118,646	6,541,246	7,293,502
		Average value per cwt. ... Rs.	2-14-8	3-13-4	4-6-9	3-15-1	3-6-5
4	SEEDS	Quantity ... ... Cwts.	8,989,799	11,802,148	6,812,445	6,463,499	9,369,696
		Value ... ... £	4,971,485	7,124,931	4,394,656	4,251,900	5,805,364
		Average value per cwt. ... Rs.	5-8-6	6-0-7	6-7-3	6-9-3	6-3-2
5	JUTE (Raw and Manufactured)—Value ... £		3,123,413	4,056,745	4,533,824	5,198,029	4,669,807
6	INDIGO	Quantity ... ... Cwts.	97,152	114,339	97,066	97,191	107,572
		Value ... ... £	2,885,414	3,346,310	2,759,786	2,849,138	3,333,942
		Average value per cwt. ... Rs.	297-0-0	292-10-8	284-5-2	293-2-4	309-14 10
7	HIDES AND SKINS.	Quantity ... ... Cwts.	563,486	795,693	696,962	846,383	725,519
		Value ... ... £	2,622,367	3,330,975	2,714,765	3,289,933	3,324,302
		Average value per cwt. ... Rs.	46-8-7	41-13-10	38-15-3	38-13-11	45-13 1
8	WHEAT	Quantity ... ... Cwts.	5,143,760	6,314,401	1,040,517	1,965,699	6,948,609
		Value ... ... £	1,788,951	2,843,273	511,097	1,002,935	3,047,828
		Average value per cwt. ... Rs.	3-7-8	4-8-1	4-14-7	5-1-8	4-6-2
9	TEA	Quantity ... ... lbs.	27,085,246	32,277.010	33,082,156	36,893,092	45,232,723
		Value ... ... £	2,542,300	2,940.990	3,020.107	2,954,053	2,978,510
		Average value per lb. ... Rs.	0-15-0	0-14-7	0-14-7	0-12-10	0-10-6
10	COFFEE	Quantity ... ... Cwts.	220,857	241,917	259,239	271,872	311,146
		Value ... ... £	975,439	1,085,431	1,160,533	1,235,129	1,356,767
		Average value per cwt. ... Rs.	44-2-8	44-13-11	44-12-3	45-6-11	43-9-8
11	WOOL (Raw and Manufactured)—Value ... £		1,195,587	1,043,240	1,139,733	1,116,924	1,150,042
12	SILK (Raw and Manufactured)—Value ... ... £		908,732	813,575	656,377	643,113	674,754
13	LAC ... ... £		474,331	335,694	260,880	292,663	490,783
14	OILS ... ... £		331,221	343,838	481,620	521,630	490,473
15	TEAK	Quantity ... C. tons	39,654	47,507	34,739	35,996	58,924
		Value ... £	292,264	336,575	251,297	262,116	447,037
		Average value per ton ... Rs.	73-11-3	70-13-7	72-5-5	72-13-1	75-13-10
16	SALTPETRE	Quantity ... ... Cwts.	411,841	347,412	347,646	468,325	327,278
		Value ... ... £	336,778	338,745	330,129	430,781	325,231
		Average value per cwt. ... Rs.	8-2-10	9-12-0	9-7-11	9-3-2	9-15-0
17	SUGAR ... ... £		714,792	702,228	189,671	181,813	292,293

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TABLE III.—*Sea-borne Trade for the first Eleven Months*—concluded.

No.	IMPORTS.		ELEVEN MONTHS, 1ST APRIL TO THE END OF FEBRUARY				
			1876-77.	1877-78.	1878-79.	1879-80.	1880-81.
1	COTTON— Twist and yarn ... Quantity	lbs.	29,713,296	33,615,031	31,462,504	30,521,133	42,079 080
	Twist and yarn ... Value	£	2,460,026	2,644,226	2,636,065	2,516,134	3,397,822
	Twist and yarn ... Average value per lb. ...	Rs.	0-13-3	0-12-7	0-13-5	0-13-2	0-13-0
	Ditto in sterling average exchange	...	1*s.* 5*d.*	1*s.* 4½*d.*	1*s.* 4¾*d.*	1*s.* 4½*d.*	1*s.* 4*d.*
	Other manufactures—Value	£	14,442,496	15,882,536	13,158,267	15,269,766	20,869,730
	TOTAL COTTON GOODS—Gross Imports ...	£	16,902,522	18,526,762	15,794,332	17,785,900	24,267,552
	Re-exports—						
	Twist and yarn ... Quantity	*lbs.*	*707,556*	*825,057*	*690,653*	*787,622*	*550,760*
	Twist and yarn ... Value	£	*49,355*	*55,642*	*47,310*	*51,185*	*41,994*
	Twist and yarn ... Average value per lb. ...	*Rs.*	*0-11-2*	*0-10-9*	*0-11-0*	*0-10-5*	*0-12-2*
	Other manufactures—Value	£	*955,194*	*975,305*	*1,051,219*	*964,739*	*1,025,671*
	Total Re-exports	£	*1,004,549*	*1,030,947*	*1,098,529*	*1,015,924*	*1,067,665*
	TOTAL COTTON GOODS—Net Imports ...	£	15,897,973	17,495,815	14,695,803	16,769,976	23,199,887
2	METALS	Value £	3,251,684	3,361,106	3,133,901	3,109,394	3,521,651
3	RAILWAY PLANT AND ROLLING-STOCK	„ „	1,089,544	1,511,066	1,362,057	1,274,238	2,410,213
4	SILK (Raw and Manufactured)	„ „	948,267	1,382,941	1,400,078	1,382,987	2,226,271
5	SUGAR	„ „	377,698	748,182	1,306,048	965,266	1,497,415
6	LIQUORS	„ „	1,442,234	1,555,869	1,227,862	1,369,560	1,406,672
7	WOOLLEN MANUFACTURES	„ „	867,825	915,770	909,447	966,691	1,395,628
8	COAL (excluding Coke and Patent Fuel)— Quantity	Tons	428,139	523,265	425,931	526,263	618,720
	COAL (excluding Coke and Patent Fuel)— Value	£	769,269	868,715	803,331	1,007,428	1,120,762
	COAL (excluding Coke and Patent Fuel)— Average value per ton	Rs.	17-15-6	16-9-8	18-13-9	19-2-3	18-1-10
9	PROVISIONS	Value £	600,101	785,861	907,559	965,873	885,996
10	MACHINERY AND MILLWORK	„ „	880,780	813,487	832,819	593,908	712,842
11	APPAREL	„ „	497,837	533,316	500,866	510,774	631,074
12	SALT ... Quantity	Tons	279,307	236,732	247,722	317,843	351,101
	SALT ... Value	£	400,675	365,405	535,395	693,994	621,991
	SALT ... Average value per ton	Rs.	14-5-6	15-7-0	21-9-10	21-13-4	17-11-5
13	SPICES	Value £	397,192	427,975	486,486	454,045	501,738
14	OILS	„ „	68,052	270,372	359,258	518,805	487,156

TABLE IV.—*Wholesale Prices of typical commodities in Gold and Silver in London and Calcutta in December of each year.*

(*Prices of March 1873=100.*)

IN LONDON—(*prices quoted from the* LONDON ECONOMIST.)	MEASURED IN GOLD.							MEASURED IN SILVER.*						
	1874.	1875.	1876.	1877.	1878.	1879.	1880.	1874.	1875.	1876.	1877.	1878.	1879.	1880.
Scotch Pig Iron (Warrants) ...	68	54	49	43	36	55	43	71	58	51	48	44	63	50
Coals, Hetton, Wallsend (London) ...	90	75	57	55	60	50	52	94	79	59	61	72	57	60
Copper, Chili Bars	93	92	85	74	64	74	68	97	98	90	82	77	85	78
Straits Tin	65	56	52	45	42	62	63	67	60	54	50	50	71	73
Wheat	81	83	91	94	72	85	77	84	88	96	104	87	97	89
Flour, town-made	82	90	82	98	69	86	81	85	96	86	109	83	98	93
Beef, inferior	110	128	98	85	90	85	100	115	136	102	94	108	97	116
Cotton, No. 40, Mule Twist	83	86	80	71	61	77	75	88	91	84	78	73	87	87
Wool, Southdown Hogs	89	85	80	76	65	71	76	93	91	85	84	78	81	87
Sugar, Foreign Muscovado	87	77	113	74	80	95	80	91	82	119	82	96	108	92
Coffee	97	105	101	98	73	83	71	101	111	106	109	88	94	81
Pepper	95	78	69	63	*Nil*	...	...	100	83	73	70	*Nil*	...	..
Saltpetre	80	83	87	98	89	96	102	82	88	92	109	108	110	118
Gold	...	...	...	...	...	...	...	104	106	105	111	120	114	115
Silver	96	94	95	90	83	88	86	...	...	...	...	...	...	...
IN CALCUTTA (*prices quoted from the* CALCUTTA PRICE CURRENT.)														
Grey Shirtings (8¼ lbs.)								84	84	78	73	74	81	80
Yarn, Twist, White, good, No. 40								91	87	87	75	75	88	83
„ „ Turkey red, No. 40 (12 lbs.) ...								104	94	85	85	78	77	69
„ „ Orange, No. 40—60								93	87	90	83	73	87	88
Copper, Sheathing								100	102	93	83	80	87	89
Iron, flat, bolt, bar and square ...								89	78	68	69	56	76	56
Spelter, hard								118	143	143	130	107	121	95
Hides, buffalo, slaughtered ...								88	75	104	75	69	96	93
Indigo, good								*Nil*	90	110	86	100	119	105
Jute, picked								137	125	150	147	153	169	148
Lac dye, fine								60	55	69	58	54	73	49
Stick Lac, fine orange								183	119	68	49	56	153	122
Linseed, fine bold clean ...								119	92	102	106	*Nil*	120	104
Rice, Ballam								153	135	159	168	259	153	103
Silk, raw, Cossimbazar								58	40	98	80	69	87	80
Sugar, Benares								87	87	88	*Nil*	...	...	....
Tea, good Souchong								123	104	123	100	77	82	64
Wheat, Doodiah								96	78	96	104	109	109	92
Gold								100	102	103	105	109	110	115

* The values measured in silver in London have been calculated from the values in gold on the basis of the price of standard silver in London,

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TABLE V.—*Actual CAPITAL EXPENDITURE on STATE RAILWAYS in 1879-80, and estimated Expenditure on such works in 1880-81 and 1881-82, and to the end of 1881-82.*

	Accounts, 1879-80.	1880-81. Regular Estimate.	1881-82. Budget-Estimate.	To end of 1881-82.	Sanctioned outlay.	Balance remaining unspent.
	£	£	£	£	£	£
East Indian	9,730,861	682,000	860,000	11,223,000	...	...
Rajputana	256,252	337,000	307,000	5,589,000	5,589,000	...
Western Rajputana	606,982	373,000				
Sindia	118,791	58,000	52,000	891,000	904,000	13,000
Holkar	30,546	18,000	15,000	1,270,000	1,270,000	...
Sindia-Neemuch	207,008	80,000	31,000	1,455,000	1,455,000	...
Neemuch-Nasirabad	14,799	362,000	223,000	632,000	824,000	192,000
Wurdah Coal	7,844	13,000	13,000	590,000*	590,000	...
Nagpur-Chattisgurh	255,755	201,000	197,000	780,000	837,000	57,000
Rangoon and Irrawaddy Valley	35,258	16,000	21,000	1,284,000	1,284,000	...
Rangoon and Sittang Valley†	82	...	300,000	318,000	1,170,000‡	852,000
Northern Bengal	123,602	34,000	25,000	2,133,000	2,133,000	...
Tirhoot	22,136	21,000	6,000	572,000	572,000	...
Tirhoot Extensions	—1	6,000	251,000	264,000	430,000	166,000
Patna and Gya...	74,880	31,000	18,000	376,000	376,000	...
Nalhatti	608	—1,000	...	33,000	33,000	...
Calcutta and South-Eastern	—1,699	—1,000	—2,000	671,000	671,000	...
Cawnpore-Farakhabad	137,964	104,000	10,000	312,000	312,000	...
Ghazipore-Dildarnagar	45,233	14,000	3,000	62,000	62,000	...
Muttra-Hathras	109,562	...	7,000	117,000	117,000	...
Muttra-Achneyra	5,311	40,000	25,000	70,000	90,000	20,000
Dhond and Manmad	116,245	—26,000	19,000	1,021,000	1,021,000	...
Indus Valley	337,989	275,000	271,000	6,675,000	6,675,000	...
Punjab Northern	736,331	653,000	128,000	4,589,000‡	4,589,000	...
Fluctuations in Store Balances	—126,199	69,000	—213,000	208,000	...	—208,000
Reserve		14,000	191,000	205,000	...	—205,000
	3,115,319	2,691,000	1,898,000	30,117,000	31,004,000	887,000
Deduct—PRODUCTIVE PUBLIC WORKS outlay included in the above.	2,680,493	2,045,000	1,780,000	28,415,000	...	...
Balance ORDINARY OUTLAY ...	434,826	646,000	118,000	1,702,000	...	...
Railways constructed wholly from ORDINARY FUNDS—						
Frontier Railways—						
Punjab Northern, Northern Section ...	281,010	1,010,000	726,000	2,044,000	...	...
Kandahar	916,275	675,000	148,000	1,750,000	...	...
Stores and Reserve	137,064	543,000	—84,000	596,000	...	...
Bhopal	...	...	70,000	70,000	125,000	55,000
Sonapur-Mugra	...	22,000	75,000	98,000	...	...
Parbatipore-Dinagepore§	...	...	44,000	44,000§	...	...
Patri Salt Branch	1,000	...	...	82,000	90,000	80,000
Total ORDINARY ...	1,770,175	2,896,000	1,097,000	6,386,000	...	...
GRAND TOTAL ...	4,450,668	4,941,000	2,877,000	34,801,000	...	...

* Includes outlay on the Wafora Colliery.
† Not yet sanctioned by Secretary of State.
‡ Includes £ 11,806 under Productive Public Works expended on the line beyond Rawalpindi.
§ Not yet sanctioned.

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ABLE VI.—*Actual Capital Expenditure on works of Irrigation, &c., for which Capital and Revenue Accounts are kept, in 1879-80, and estimated Expenditure on such works in 1880-81, 1881-82 and to the end of 1881-82, &c.*

	1879-80, Actuals.	1880-81, Regular estimate.	1881-82, Budget estimate.	To end of 1881-82. Outlay against current sanctions.	Outlay against sanctions that have expired.	Total.	Estimated cost (current sanctions).	Balance of current sanctions remaining to be spent.
	£	£	£	£	£	£	£	£
ODUCTIVE PUBLIC WORKS—								
Orissa canals	46,310	56,500	37,500	1,971,600	...	1,971,600	1,971,000	...
Midnapore canal	16,053	21,000	10,000	780,000	...	780,000	768,000	...
Tidal canal	...	...	...	177,300	...	177,300	177,000	...
Sone canals	97,694	72,500	67,500	2,316,300	...	2,316,000	2,736,000	420,000
Ganges canal	27,944	40,400	30,100	267,700	2,343,000	2,610,700	631,000	363,300
Agra „	2,855	5,100	7,300	789,600	...	789,600	801,000	11,400
Lower Ganges canal	139,122	174,500	162,600	2,365,700	...	2,365,700	2,914,000	548,300
Western Jumna „	41,057	62,500	54,700	504,100	305,000	809,100	727,000	222,900
Bari Doab „	338	1,800	1,800	1,498,500	...	1,498,500	1,652,000	153,500
Purchase of the Madras Irrigation and Canal Company's undertaking	...	...	1,405,000	1,405,000	...	1,405,000	...	...
Other projects	230,409	276,300	396,500	...	...	5,093,100	...	...
Outlay against the grant for Productive public works on works not admitted to the category of Productive public works	—10,000	—10,000	—10,000	223,300	...	223,300	...	...
TOTAL ...	591,782	700,000	2,163,000	...	...	20,039,900	...	...
Deduct—Ordinary outlay on Productive public works included above	—7,055	...	...	...	...	5,325,100	...	...
NET TOTAL ...	598,837	700,600	2,163,000	...	...	14,714,800	...	...
IGATION AND NAVIGATION WORKS—								
(*Not classed as Productive public works*)—								
Eastern Jumna canal	2,577	7,000	7,900	66,800	204,000	270,800	144,700	77,900
Other projects	155,399	153,100	216,200	...	...	2,759,300	...	...
Ordinary outlay on Productive public works ...	—7,055	...	...	...	...	5,325,100	...	...
TOTAL ...	150,921	160,100	224,100	...	...	8,355,200	...	...
duct—Outlay against the grant for Productive public works on works not admitted to the category of Productive public works	—10,000	—10,000	—10,000	...	...	223,300	...	...
NET TOTAL ...	160,921	170,100	234,100	...	...	8,131,900	...	...
GRAND TOTAL ...	759,758	870,700	2,397,100	...	...	22,846,700	...	...

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TABLE VII.—*Gross Earnings, Working Expenses and Net Traffic Earnings of Guaranteed an State Railways to the end of 1879-80, with Regular Estimates for 1880-81 and Budg Estimates for 1881-82.*

	ACTUALS.					Regular estimates, 1880-81.	Budget-es mates, 1881-
	1875-76.	1876-77.	1877-78.	1878-79.	1879-80.		
GUARANTEED RAILWAYS.							
Open mileage at beginning of year	4,093	4,308	4,495	4,532	4,541	4,568	4,5
Gross earnings.	£	£	£	£	£	£	£
Eastern Bengal	331,565	367,620	512,204	478,168	534,503	570,000	580,0
Madras	683,055	913,924	1,175,479	713,611	683,419	620,000	640,0
South Indian	145,558	230,248	341,467	334,795	357,154	370,000	385,0
Bombay, Baroda and Central India	661,571	727,917	835,860	794,367	777,224	910,000	1,030,0
Great Indian Peninsula	2,279,944	3,009,666	3,737,727	3,221,746	2,717,443	2,940,000	2,880,0
Oudh and Rohilkund	358,933	403,362	629,316	552,706	472,410	525,000	545,0
Scinde, Punjab and Delhi	1,321,463	1,085,138	1,252,560	1,298,414	1,791,478	1,850,000	1,430,0
Total	5,782,089	6,757,875	8,484,613	7,393,807	7,333,631	7,785,000	7,490,0
Working expenses.							
Eastern Bengal	209,301	185,568	203,438	240,713	283,034	300,000	310,0
Madras	477,930	625,623	819,083	551,076	456,934	450,000	480,0
South Indian	72,133	125,755	182,275	257,097	261,834	235,000	245,0
Bombay, Baroda and Central India	372,837	394,489	424,253	478,968	448,183	540,000	530,0
Great Indian Peninsula	1,202,870	1,652,220	1,961,167	1,855,875	1,763,109	1,870,000	1,810,0
Oudh and Rohilkund	245,683	256,958	429,913	323,254	318,341	345,000	355,0
Scinde, Punjab and Delhi	741,048	867,598	815,328	951,500	1,325,799	1,350,000	1,030,0
Total	3,321,802	4,108,411	4,835,456	4,658,483	4,857,284	5,090,000	4,760,0
Net Traffic earnings.							
Eastern Bengal	122,264	202,052	308,766	237,455	251,469	270,000	270,0
Madras	205,125	288,301	356,397	162,535	226,485	170,000	160,0
South Indian	73,425	104,493	159,192	77,698	95,320	135,000	140,0
Bombay, Baroda and Central India	288,734	333,328	411,607	315,399	329,041	370,000	500,0
Great Indian Peninsula	1,077,074	1,357,446	1,776,560	1,365,871	954,334	1,070,000	1,070,0
Oudh and Rohilkund	113,250	146,404	199,403	229,452	154,069	180,000	190,0
Scinde, Punjab and Delhi	580,415	217,540	437,232	346,914	465,679	500,000	490,0
Total	2,460,287	2,649,464	3,649,157	2,735,324	2,476,347	2,695,000	2,730,0
STATE RAILWAYS.							
EAST INDIAN RAILWAY.							
Open mileage at beginning of year	1,503	1,503	1,503	1,503	1,503	1,504	1,5
Gross earnings	3,177,146	4,116,900	4,309,735	4,405,367	4,611,878	4,280,000	4,250,0
Working expenses	1,356,741	1,652,231	1,797,288	1,861,906	1,516,487	1,480,000	1,450,0
Net Traffic earnings	1,820,405	2,464,669	3,012,497	2,543,461	3,095,391	2,800,000	2,800,0
Other State Railways.							
Open mileage at beginning of year	485	683	866	1,287	2,014	2,310	3,0
Gross earnings.							
Rajputana and Western Rajputana (Northern Section).	203,102	239,349	261,434	330,077	379,397	450,000	630,0
Western Rajputana (Southern Section)					17,244		
Holkar and Neemuch	38,349	39,272	62,666	93,511	120,392	150,000	175,0
Sindia			1,319	10,812	10,556	23,000	45,0
Wurdah Coal	2,936	3,685	10,639	11,373	29,775	21,000	45,0
Punjab Northern	22,657	50,154	76,412	108,400	182,537	340,000	450,0
Indus Valley				113,921	385,633	670,000	530,0
Dhond and Manmad*				25,041	50,959	53,000	15,0
Nagpur and Chattisgarh						14,000	30,0
Rangoon and Irrawaddy Valley			62,876	97,561	108,523	140,000	145,0
Patna and Gya					33,964	48,000	51,9
Northern Bengal			17,111	109,289	146,781	170,000	180,0
Tirhoot	4,804	21,358	34,324	44,981	47,692	55,000	59,0
Calcutta and South-Eastern	10,486	9,775	12,616	12,909	13,548	14,500	14,5
Nalhati	7,178	8,098	9,130	8,531	9,392	6,000	6,5
Cawnpore and Furrukhabad						4,000	22,5
Hattras-Muttra		8,977	9,363	10,822	12,335	13,500	13,5
Muttra-Achneyra						2,500	6,0
Ghazipore and Dildarnaggar							2,0
Total	289,512	380,668	557,890	976,828	1,548,728	2,174,500	2,420,0
Working expenses.							
Rajputana and Western Rajputana (Northern Section)	119,638	159,082	184,831	203,816	247,239	330,000	410,0
Western Rajputana (Southern Section)					12,471		
Holkar and Neemuch	35,715	39,047	39,319	67,903	87,726	110,000	125,0
Sindia			2,137	12,734	12,757	19,000	30,0
Wurdah Coal	3,150	3,658	7,043	11,104	29,733	44,000	36,0
Punjab Northern	13,737	45,958	70,499	86,506	176,473	282,500	340,0
Indus Valley				109,862	314,896	465,000	390,0
Dhond and Manmad*				24,569	57,412	47,500	
Nagpur and Chattisgarh						10,000	26,0
Rangoon and Irrawaddy Valley			59,994	92,561	77,653	83,000	89,0
Patna and Gya					18,706	27,000	29,0
Northern Bengal			16,402	89,573	122,365	92,500	100,0
Tirhoot	4,006	14,189	23,572	32,993	34,327	32,500	34,0
Calcutta and South-Eastern	9,303	12,320	8,226	—1,738	10,118	9,000	19,5
Nalhati	7,936	8,315	8,732	4,494	6,274	7,500	6,5
Cawnpore and Furrukhabad						4,500	20,0
Hattras-Muttra		4,919	5,251	5,996	6,581	7,300	7,5
Muttra-Achneyra						1,750	4,2
Ghazipore and Dildarnaggar							2,0
Total	193,485	287,988	426,006	749,373	1,215,231	1,573,050	1,668,7
Net Traffic earnings.							
Rajputana and Western Rajputana (Northern Section)	83,464	80,267	76,603	126,261	132,158	120,000	220,0
Western Rajputana (Southern Section)					4,773		
Holkar and Neemuch	2,634	225	23,347	25,608	32,766	40,000	50,0
Sindia			—818	—1,922	—2,201	4,000	15,0
Wurdah Coal	—214	27	3,596	269	43	—19,000	9,0
Punjab Northern	8,920	4,196	5,913	21,894	6,033	65,000	110,0
Indus Valley				4,059	70,737	205,000	140,0
Dhond and Manmad*				—472	—6,453	6,000	15,0
Nagpur and Chattisgarh						4,000	4,0
Rangoon and Irrawaddy Valley			2,882	5,000	30,870	57,000	56,0
Patna and Gya					15,258	21,000	22,0
Northern Bengal			709	19,716	23,916	77,500	80,0
Tirhoot	798	7,169	10,752	11,988	13,365	22,500	25,0
Calcutta and South-Eastern	1,183	—3,045	4,390	14,247	3,430	5,500	—5,0
Nalhati	—758	—217	398	4,037	3,118	—1,500	
Cawnpore and Furrukhabad						—500	2,5
Hattras-Muttra		4,058	4,112	4,826	5,754	6,200	6,0
Muttra-Achneyra						750	1,8
Ghazipore and Dildarnaggar							
Total	93,027	92,680	131,884	236,455	333,497	601,450	751,3

The working of the line has been transferred to the Great Indian Peninsula Railway from 1st January 1881, the Government of India only r percentage of the gross receipts.

APPENDIX.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE VIII.—*Gross earnings, Working expenses and net earnings of works of Irrigation, &c., for which Capital and Revenue Accounts are kept, to end of 1879-80, with Regular Estimates for 1880-81 and Budget-Estimates for 1881-82.*

	Actuals.					Regular estimates, 1880-81.	Budget-estimates, 1881-82.
	1875-76.	1876-77.	1877-78.	1878-79.	1879-80.		
PRODUCTIVE PUBLIC WORKS.	£	£	£	£	£	£	£
GROSS DIRECT REVENUE—							
Orissa canals	4,549	7,456	16,110	18,200	27,919	28,300	33,000
Midnapore canal	11,111	13,699	17,009	17,071	24,722	20,600	26,000
Tidal canal	2,293	4,503	6,228	6,079	4,578	5,100	6,000
Sone canals	5,090	7,318	10,130	43,763	53,159	46,000	55,000
Ganges canal	212,882	220,154	250,453	261,114	290,564	182,900	178,900
Agra „	3,709	8,952	24,467	42,633	42,151	24,500	42,800
Lower Ganges canal	...	...	...	...	5,860	96,500	116,600
Western Jumna „	109,872	87,813	99,210	118,056	113,055	109,400	119,700
Bari Doab „	77,189	59,270	56,903	80,606	119,129	116,800	127,300
Other projects	11,984	16,036	25,372	25,748	26,904	31,200	33,700
Total	429,679	425,201	502,882	613,270	708,041	661,300	739,000
INDIRECT REVENUE—							
Ganges canal	62,580	64,279	72,290	67,161	66,893	66,490	66,900
Agra „	...	...	4,509	...	...	...	...
Western Jumna canal	40,128	38,593	37,376	10,937	27,583	16,600	16,600
Bari Doab „	16,653	4,679	11,903	17,738	...	...	...
Other projects	20,345	25,966	27,789	31,078	507,921	617,000	623,300
Total	139,706	133,517	153,867	126,934	602,397	700,500	706,800
TOTAL DIRECT AND INDIRECT REVENUE—							
Orissa canals	4,549	7,456	16,110	18,200	27,919	28,300	33,000
Midnapore canal	11,111	13,699	17,009	17,071	24,722	20,600	26,000
Tidal „	2,293	4,503	6,228	6,079	4,578	5,100	6,000
Sone canals	5,090	7,318	10,130	43,763	53,159	46,000	55,000
Ganges canal	275,462	284,433	322,743	328,295	357,457	249,300	245,800
Agra „	3,709	8,952	25,976	42,633	42,151	24,500	42,800
Lower Ganges canal	...	...	...	...	5,860	96,500	116,600
Western Jumna „	141,000	126,406	136,586	128,993	140,638	126,000	136,300
Bari Doab „	93,842	63,949	68,806	98,344	119,129	116,800	127,300
Other projects	32,329	42,002	53,161	56,826	534,825	648,200	657,000
Total	569,385	558,718	656,749	740,204	1,310,438	1,361,8 0	1,445,800
WORKING EXPENSES—							
Orissa canals	20,762	21,466	21,607	23,909	36,777	32,600	25,800
Midnapore canal	16,740	17,128	20,382	17,283	15,440	17,400	15,600
Tidal „	3,904	1,243	3,056	2,318	4,228	2,400	2,700
Sone canals	11,543	19,959	25,241	37,051	35,731	45,900	46,300
Ganges canal	105,462	105,040	97,870	96,991	107,496	74,800	82,500
Agra „	8,319	11,673	15,792	18,359	21,684	20,800	20,600
Lower Ganges canal	...	...	...	450	7,071	47,600	41,800
Western Jumna „	37,516	38,937	41,873	51,436	43,624	42,300	39,000
Bari Doab „	48,094	55,365	52,398	41,543	46,415	44,500	48,500
Other projects	98,418	92,605	86,239	91,710	140,785	101,700	103,000
Total	350,758	363,856	364,458	381,550	459,251	430,000	425,800
NET REVENUE—							
Orissa canals	—16,213	—14,010	—5,497	—5,709	—8,858	—4,300	7,200
Midnapore canal	—5,629	—3,429	—3,373	—212	9,282	3,200	10,400
Tidal „	—1,611	3,260	3,172	3,761	350	2,700	3,300
Sone canals	—6,453	—12,641	—15,111	6,712	17,428	100	8,700
Ganges canal	170,000	179,393	224,873	231,304	249,961	175,000	163,300
Agra „	—4,610	—2,661	10,184	23,774	20,467	3,700	22,200
Lower Ganges canal	...	...	...	—450	—1,211	48,900	74,800
Western Jumna „	103,484	87,469	94,713	77,557	97,014	83,700	97,300
Bari Doab „	45,748	8,584	16,408	56,801	72,714	72,300	76,800
Other projects	—66,089	—50,603	—33,078	—34,884	394,040	546,500	554,000
Total	218,627	195,362	292,291	358,654	851,187	931,800	1,020,000
IRRIGATION AND NAVIGATION WORKS. *(Not classed as Productive public works.)*							
GROSS DIRECT REVENUE—							
Eastern Jumna canal	59,249	56,541	57,563	63,198	85,127	73,200	56,900
Other projects	20,053	29,596	19,353	23,908	24,426	38,100	36,500
Total	79,302	86,137	76,916	87,106	109,553	111,300	93,400
INDIRECT REVENUE—							
Eastern Jumna canal	22,152	22,153	22,680	22,153	22,153	22,100	22,100
Other projects	131,608	123,480	125,987	134,131	74,370	176,900	180,900
Total	153,760	145,633	148,667	156,284	96,523	199,000	203,000
TOTAL DIRECT AND INDIRECT REVENUE—							
Eastern Jumna canal	81,401	78,694	80,243	85,351	107,280	95,300	79,000
Other projects	151,661	153,076	145,340	158,039	98,796	215,000	217,400
Total	233,062	231,770	225,583	243,390	206,076	310,300	296,400
WORKING EXPENSES—							
Eastern Jumna canal	23,027	21,474	20,357	20,415	19,502	21,700	19,400
Other projects	108,947	108,489	109,822	95,925	118,995	102,700	104,800
Total	131,974	129,963	130,179	116,340	138,497	124,400	124,200
NET REVENUE—							
Eastern Jumna canal	58,374	57,220	59,886	64,936	*87,778	73,600	59,600
Other projects	42,714	44,587	35,518	62,114	—20,199	112,300	112,600
Total	101,088	101,807	95,404	127,050	67,579	185,900	172,200

APPENDIX.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE IX.—*Statement showing the true Financial results to the revenues of India of the guarantee of interest upon the Capital of the Guaranteed Railway Companies excluding the East Indian Railway Company.*

	1874-75.	1875-76.	1876-77.	1877-78.	1878-79.	1879-80.	1880-81. Original Estimate.	1880-81. Regular Estimate.	1881-82. Estimate.
Miles.	Miles.	Miles.	Miles.	Miles.	Miles.	Miles.	Miles.	Miles.	Miles.
Open mileage to end of official year ...	4,093	4,308	4,495	4,532	4,541	4,568	4,585	4,588	4,593
	£	£	£	£	£	£	£	£	£
Gross Earnings	5,104,172	5,782,089	6,757,875	8,484,613	7,393,807	7,333,631	7,500,000	7,785,000	7,490,000
Working expenses	3,123,810	3,321,802	4,108,411	4,835,456	4,658,483	4,857,284	4,675,000	5,090,000	4,760,000
Percentage of working expenses on earnings	61·20	57·45	60·79	56·99	63·01	66·23	62·33	65·38	63·5
Net traffic earnings	1,980,362	2,460,287	2,649,464	3,649,157	2,735,324	2,476,347	2,825,000	2,695,000	2,730,000
Net gain by the remittance to England of Capital receipts and disbursements in India at the contract rates of exchange instead of at the average yearly rates obtained for the Secretary of State's bills	65,901	19,257	...	...	...	...	...	...	...
Total Revenue ...	2,046,263	2,479,544	2,649,464	3,649,157	2,735,324	2,476,347	2,825,000	2,695,000	2,730,000
Gross guaranteed interest paid in India	24,453	22,001	14,544	13,463	10,486	9,085	9,000	7,256	4,870
Ditto ditto in London*	3,125,524	3,142,253	3,157,152	3,167,301	3,200,335	3,241,047	3,257,000	3,254,500	3,267,000
Total guaranteed interest (sterling payments converted at the average exchange of the year)	3,403,397	3,505,652	3,911,444	3,659,307	3,866,311	3,907,974	3,919,000	3,813,600	3,926,000
Surplus paid to Railway Companies ...	11,424	86,674	79,735	243,438	294,716	97,839	345,000	94,500	165,500
Land and supervision	45,088	83,176	40,756	48,414	45,777	45,720	56,050	76,500	75,200
Interest on Revenue balances ...	15,461	19,912	15,918	1,991	1,525	1,344	1,600	1,200	1,500
Net loss on receipts and disbursements of Capital in India calculated in the same way as the gain	...	...	9,544	7,016	68,044	63,285	8,000	29,200	33,500
Total Expenditure ...	3,475,370	3,695,414	4,057,397	3,960,163	4,271,373	4,116,162	4,329,650	4,020,000	4,206,700
Net Expenditure from the public Treasury	1,429,107	1,215,870	1,407,933	311,011	1,536,049	1,639,815	1,504,650	1,325,000	1,476,700
Net Revenue	...	...	...	...	...	...	...	...	...

* With the exception of the figures in this line which are true sterling figures, all the amounts in this table are in rupees converted into the conventional sterling of the accounts by the removal of one digit to the right.

FINANCIAL STATEMENT FOR 1881-82.

PART II.—(*Not published.*)

CHANGES OF FORM.

Changes of Form.

108. In Appendices I and II the expenditure on Frontier Railways which was shown in the Estimates for 1880-81 under 36, *Army*, is now shown under a sub-head of 32, *Railways*.

The War Receipts and Expenditure are now shown under *XXIX* and *36, Army*, in separate lines.

The Capital Expenditure on the East Indian Railway and for the purchase of the Madras Irrigation Company's undertaking is shown under 38, *Productive Public Works* separately from the rest of the Capital Expenditure on Productive Public Works.

109. Under instructions from the Secretary of State, more details have been introduced into the *Profit and Loss Account of Productive Public Works* at foot of Appendix No. II.

110. The Heads in Appendix No. IV have been re-arranged in the order in which the corresponding entries appear in the Finance and Revenue Accounts.

Almost all the balances of the Military Funds having now been transferred to Revenue, the three heads, Treasury Notes, Service Funds Civil and Service Funds Military, the transactions of which are cognate, have been consolidated into one Major Head.

The Money Order transactions having much increased in importance, a separate Major Head has been opened to exhibit them.

Local Remittances are now included with other Remittances.

ACCOUNTS OF 1879-80.

Accounts of 1879-80.

111. In the following Synopsis, the Revenue and Expenditure and Receipts and Disbursements of the year 1879-80 are compared

(1) with the Regular Estimates;
(2) with the Budget Estimates;
(3) with the Accounts of 1878-79:—

Synopsis.

	Accounts 1878-79.	1879-80.			Accounts of 1879-80 compared with					
		Original Estimates.	Regular Estimates.	Accounts.	Regular Estimates.		Original Estimates.		Accounts, 1878-79.	
					Better.	Worse.	Better.	Worse.	Better.	Worse.
	£	£	£	£	£	£	£	£	£	£
Revenue	65,199,602	64,562,000	67,583,000	68,484,666	901,666	...	3,922,666	...	3,285,064	...
Expenditure, excluding Capital Expenditure on Productive Public Works.	63,165,856	65,957,000	67,464,000	69,667,615	...	2,203,615	...	3,710,615	...	6,502,259
Surplus Revenue	2,034,246	...	119,000	...	...	...	...	...	...	...
Excess Expenditure ...	...	1,395,000	...	1,182,949	...	1,301,949	212,051	...	...	3,217,195
Capital Expenditure on Productive Public Works.	4,381,898	3,500,000	3,700,000	13,095,192*	...	9,395,192	...	9,595,192	...	8,713,294
Grand Total Excess Expenditure.	2,347,652	4,895,000	3,581,000	14,278,141	...	10,697,141	...	9,383,141	...	11,930,489
Receipts other than Revenue...	66,859,009	67,335,500	74,785,000	112,243,582	37,458,582	...	44,908,082	...	45,384,573	...
Disbursements other than Expenditure.	66,176,238	63,140,500	69,114,078	96,575,518	...	27,461,440	...	33,435,018	...	30,399,280
Excess Receipts other than Revenue.	682,771	4,195,000	5,670,922	15,668,064	9,997,142	...	11,473,064	...	14,985,293	...
Public Balances Reduced ...	1,664,881	700,000	...	...	...	...	...	...	...	...
Ditto Increased ...	...	...	2,089,922	1,389,923	...	699,999	2,089,923	...	3,054,804	...
Closing Balance	13,910,078	13,500,000	16,000,000	15,300,001	...	699,999	1,800,001	...	1,389,923	...

* Includes 9,730,862*l.* being part of the capital cost of the East Indian Railway.

Accounts of 1879-80.

112. In the *Capital Expenditure on Productive Public Works* is included a special item of 9,576,614*l.*, being part of the cost of the East Indian Railway. Full particulars of this item are contained in Account No. 4 B on page 14 of the Finance and Revenue Accounts. Substantially, it is the portion of the price paid for the East Indian Railway which it has been resolved to record as Expenditure. The whole amount is recorded upon the public books in India, although 9,565,939*l.* was primarily paid at the Home Treasury.

113. If the Capital Expenditure on Productive Public Works be excluded, the Public Revenue in 1879-80 exceeds the amount entered in the Budget Estimates by 3,922,666*l.*, and the amount entered in the Regular Estimates by 901,666*l.*; the Public Expenditure exceeds the amount entered in the Budget Estimates by 3,710,615*l.*, and that entered in the Regular Estimates by 2,203,615*l.*; and the Public Expenditure exceeds the Public Revenue by 1,182,949*l.*; being a result, 212,051*l.*, better than that shown upon the Budget Estimates, and 1,301,949*l.* worse than that shown by the Regular Estimates.

114. Excluding the special item of 9,730,862*l.* explained in para. 112, the Capital Expenditure on Productive Public Works is less than the Regular Estimate by 125,670*l.* Including this expenditure, the result of the financial operations of the year is better than that shown upon the Budget Estimates by 347,721*l.*, and worse than that shown in the Regular Estimates by 1,176,279*l.*

115. Including the Capital Expenditure on Productive Public Works, the net result of the Accounts of the Home Treasury, as compared with the Regular Estimates, is better by 113,354*l.*; that of the Indian Treasuries is worse by 1,289,633*l.*

116. The Revenue of 1879-80 exceeds the Revenue of 1878-79 by 3,285,064*l.*, and the Ordinary Expenditure exceeds the Ordinary Expenditure of 1878-79 by 6,502,259*l.* Thus the result of 1879-80 is worse than that of 1878-79 by 3,217,195*l.*

117. The following is the expenditure included in the Accounts of 1879-80 attributed to the War:—

	£	£
Punjab Northern State Railway	336,770	
Frontier Railways	1,334,350	
Military Operations Proper (*Account No. 57, p. 152*)	4,816,623	
		6,487,743
Deduct—		
War Receipts	50,499	
Estimated Excess Revenue under Railways and Telegraph attributed to the War (*see Despatch No. 354, dated 26th October 1880*)	312,600	363,099
Net Expenditure in consequence of the War		6,124,644

118. Of this 6,124,644*l.* the Local Governments contributed, during the year, 335,000*l.*, as explained in paragraphs 11 and 170 of the Financial Statement for 1880-81. Without this contribution, the Imperial Revenue would, but for the War, have exceeded the Imperial Expenditure by 4,606,695*l.** As explained in para. 149 the burden upon the Accounts, owing to the War, and the Surplus apart from that burden, really exceeds even the amounts here stated.

	£	£
* Revenue		68,484,666
Ordinary Expenditure ...	69,667,615	
Deduct War (less contributions of the Local Governments).	5,789,644	
		63,877,971
Surplus ...		4,606,695

119. The estimated true adjusted surplus of the year, apart from the War, is 4,236,631*l.* *(See para. 226.)*

120. The true adjusted surplus upon the Regular Estimates of 1879-80 was calculated at 4½ millions. (*See para. 131 of the Financial Statement for 1880-81.*)

121. The failure of the estimate of the cost of the War, made in the last Financial Statement, has been already fully explained. Apart from that failure the Revenues of 1879-80 are, according to the Accounts, more by 859,167*l.* than the Revenues set down in the Regular Estimates, and the Expenditure more by 602,992*l.* than the Expenditure set down in the Regular Estimates. The net improvement is 256,175*l.*

The following are explanations of the minor differences between the Accounts and the Regular Estimates :— Accounts of 1879-80

REVENUE, 1879-80.

Revenue, 1879-80

122. *I. Land Revenue.*—Including the Profit and Loss Account upon Productive Public Works, the improvement (74,548*l.*) occurs in Bombay, and is, apparently, owing to more arrears having been collected than was expected. There is also an improvement of 90,600*l.* due to the same cause in Madras, which, for reasons stated in para. 127, does not appear. The Land Revenue collected in 1879-80 exceeded a normal year's Revenue (now estimated at 22,050,000*l.*) by 413,548*l.*

123. *II. Tributes.*—The decrease, 11,549*l.*, is due to certain tributes not having been paid before the 31st March 1880.

124. *III & 5. Forest.*—Gross improvement 70,178*l.*, which is due to a variety of causes occurring in the different Provinces. It is always difficult to predict the facts correctly under this head.

125. *IV. Excise.*—Improvement 73,021*l.* The Bombay pass duty on opium consumed in India was, in the Regular Estimate, erroneously entered under *IX, Opium*. The Excise Revenue, both in Bombay and Madras, is therefore larger and the Opium Revenue less, upon the Accounts, owing to the amendment of that procedure. The remaining improvement is general.

126. *V. Assessed Taxes.*—The net decrease of 6,568*l.* occurs in Madras, where the yield of the License Tax is disappointing.

127. *VI. Provincial Rates.*—Improvement 176,125*l.* Of this, 119,400*l.* is owing chiefly to a transfer from *I, Land Revenue* of the alienations for village services in Madras. The remainder is general.

128. *VII. Customs.*—Improvement 49,793*l.*, in Calcutta and Bombay. The improvement which has been manifest through the current year began before the close of last year.

129. *VIII. Salt.*—Net decrease 53,274*l.* There is a serious decrease of 134,460*l.* in Upper India, partly set-off by improvements elsewhere. When the Regular Estimate was made, the collections had shown a large and steady increase, which was accepted as natural and permanent, and believed to be owing to the recent treaties with the Native States in Rájputáná. It is now known to have been partly due to the exhaustion of the inferior salt at Sámbhar, and a consequent run upon the choicer salt, which the Department held itself bound to supply for the fixed price, until the stock of inferior salt could be replenished. The Government was not warned, in time, of this explanation; consequently, both the Regular Estimate of 1879-80 and the Budget Estimate of 1880-81 were pitched too high. Measures have been taken to prevent the stocks of inferior salt from being again exhausted.

130. *IX & 11. Opium.*—The falling off of 148,330*l.* occurs chiefly in Bombay, where about half of the decrease is due to the transfer to *IV, Excise*, explained in para. 125. The rest is owing to a stagnation in the Málwa Trade, which set in just as the Regular Estimate was being closed, and for which sufficient allowance was not made.

131. *XII & 14. Mint.*—Worse 14,062*l.* The importation of silver at the close of the year fell below expectation; and the copper coin account showed a smaller profit than was anticipated.

132. *XIII & 15. Post Office.*—Better 21,820*l.* This is the net result of several different causes. The Regular Estimate was too cautious.

133. *XIV & 16. Telegraph.*—Gross improvement 60,409*l.*: must be attributed, for the most part, to too cautious estimating. The Telegraph Accounts are always so much in arrears that the margin left for estimating is larger than under other heads.

134. *XVIII & 21. Marine.*—Gross improvement 80,054*l.* This occurs chiefly in Bengal, and is attributed to unexpectedly large recoveries on work done for other Departments, especially for State Railways.

135. *XXV & 32. Railways (Profit and Loss Account).*—Improvement 369,275*l.* This gratifying increase occurred in the Guaranteed Railways.

EXPENDITURE, 1879-80.

Expenditure, 1879-80.

136. *1 & XXII. Interest.*—(Profit and Loss Account on Productive Public Works included.) Net worse 94,546*l.*, due to the discount on past Loans being written off at the Home Treasury and in India. But for this, the Accounts would have shown a substantial saving, owing to due interest remaining undrawn.

137. *26. Political.*—Saving 40,429*l.* Certain payments were accidentally deferred till 1880-81.

138. *27. Allowances & Assignments.*—Decrease 85,365*l.*, owing, partly, to the salt compensations to Jaypur and Jodhpur, and certain other allowances, not having been drawn till 1880-81, and, partly, to the progress of the commutation of cash payments to Hindu Temples in the Madras Presidency, into assignments upon the village collections of Land Revenue.

139. *29. Superannuations.*—Excess 102,551*l.* The gratuities and bonuses to Public Works Officers retiring under the Resolution of the 31st July 1879 were under-estimated.

140. *32. Railways.*—Excess 111,410*l.* The expenditure on the Punjab Northern State Railway, which was estimated at 230,000*l.*, amounted to 336,770*l.*

141. *33. Irrigation.*—Saving 42,093*l.*, chiefly in Madras.

Accounts of 1879-80.

142. *34 & XXVII. Other Public Works.*—Net expenditure less by 276,657*l.*, of which 135,000*l.* was saved under Provincial and Local Funds in Madras, 70,000*l.* in Military Works, and 30,000*l.* in Burma.

143. *35 & XXVIII. Provincial and Local Surplus and Deficits.*—The Balances of the Provincial Governments increased by 348,299*l.* This represents the share of the general improvement which has now been reviewed in detail, belonging to those Governments. Of the improvement, 159,600*l.* is in Madras, corresponding with the short expenditure there mentioned in para. 142, and 117,500*l.* is in Burma.

144. *36 & XXIX. Army.*—Net expenditure more 371,756*l.*, owing partly to high prices in Bengal, but chiefly, it is believed, to the erroneous classification as ordinary expenditure of items which really belong to the War, but could not be clearly so distinguished in detail.

145. *37. Loss by Exchange.*—Excess 58,983*l.*, owing mainly to the unexpected continuance of the weekly allotments of 45 lakhs of Council Bills at the close of the year.

146. *38. Productive Public Works Capital Expenditure.*—Saving 125,670*l.* The saving would have been 119,369*l.* more, but for the entry of this amount under this head, on account of the Mathúrá-Hatras, Mathúrá-Achneyra and Gházipur-Dildárnagar Provincial Lines: it had been charged to Local Funds. Thus the gross saving amounted to 245,039*l.* It occurred chiefly in the Irrigation Branch, and is attributed to the reduction of establishments under the Resolution of the 31st July 1879, and to the temporary disorganisation of the operations of the Department consequent upon that measure.

147. The large improvement in these Accounts, as compared with the Budget Estimates, was, for the most part, explained in the portion of the Financial Statement for 1880-81 which relates to the Regular Estimates.

WAYS AND MEANS, 1879-80.

Ways and Means, 1879-80.

148. The following compendium contains a comparison between the Regular Estimates and the Accounts of 1879-80 under the several Debt Heads :—

Accounts of 1879-80 compared with the Regular Estimates. (India only.)

		Better. £	Worse. £
I & 1.	—Net Imperial Revenue, including the Capital Expenditure on the East Indian Railway	...	1,334,556
II & 2.	—Public Debt incurred	142,383	
III & 3.	—Treasury Notes and Service Funds	...	42,414
IV & 4.	—Savings Banks Deposits	265,607	
VI & 6.	—Provincial and Local Surpluses	348,299	
VII & 7.	—Other Deposits, Advances, and Remittances	...	1,986,410
VIII & 8.	—Loans to Native States, &c.	359,357	
IX & 9.	—Capital received from Guaranteed Companies	248,647	
XII & 12.	—Secretary of State's Bills	835,906	
	TOTAL ...	2,200,199	3,363,380
	CLOSING BALANCE LESS ...	1,163,181	
		3,363,380	3,363,380

149. From this compendium, it appears that the Accounts were more unfavourable than the Regular Estimates by 3,363,380*l.*, distributed among three groups of Heads; but that this unfavourable result was counterbalanced to the extent of 2,200,199*l.*, owing to the Accounts being more favourable than the Regular Estimates under six other Heads.

150. The variations in the Accounts from the Regular Estimates of Revenue and Expenditure, as well Provincial as Imperial, have been already explained.

The following are the explanations under the remaining heads :—

151. *Funds and Treasury Notes.*—The difference (42,414*l.*) is not large, and is the net outcome of several items.

152. *Loans to Native States.*—Better 359,357*l.* Of this 185,000*l.* is the Sinking Fund of the Calcutta Municipality. The several Loans to this Municipality were consolidated during the year, a fresh arrangement being made for their liquidation by yearly payments extending over 30 years. Upon this arrangement being concluded, the Municipality reduced the amount of its debt to the Government by the surrender of the securities in which its old Sinking Fund was invested. The amount was not received in cash, and is therefore set-off by an entry under Advances on the opposite side of the account. The transaction was not included in the Regular Estimates.

153. *Savings Banks Deposits.*—Improvement 382,607*l.* The effect of the concessions to depositors, which operated from the 1st January 1880, was under-estimated. The greater part of these concessions have since been cancelled. Ways and Means, 1879-80.

154. *Public Debt Incurred.*—Improvement 142,383*l.*, of which 119,369*l.* is set-off by an entry under 38, *Productive Public Works Capital Expenditure*, as explained in para. 146.

155. *Capital received from Guaranteed Companies.*—Improvement 248,647*l.*, which is more than explained by the charging off as expenditure of the sum of 264,527*l.*, being the capital overdrawn by the East Indian Railway Company. The amount is one of the items entered upon the Indian books as expenditure on the occasion of the purchase of the East Indian Railway, the net result of which entries (apart from the transactions transferred from the Home Treasury,—*see para.* 112) is the sum of 164,923*l.* shown on the oppositeside of the account. The estimate (220,000*l.*) was, by an oversight, not entered in the Regular Estimate under this head.

156. *Secretary of State's Bills.*—Improvement 835,906*l.* Of this, 486,947*l.* is nominal. Gold yielding this amount in London was bought in India and remitted home during the year. In the Regular Estimate, these transactions were included under this Head; but they were eventually recorded under the general Remittance Head (No. 13). Of the remainder, 347,716*l.* (nearly the whole) is owing to the bills outstanding at the end of the year, being, to this extent, more than the bills outstanding at the beginning of the year. (*See* FINANCE AND REVENUE ACCOUNTS, *Account No.* 79.)

157. *Other Deposits and Advances.*—Worse 1,986,410*l.* Of this, 791,310*l.* is counter-balanced by entries on the opposite side of the abstract, namely:—

119,369, as explained in para. 146.	
185,000, as explained in para. 152.	
486,947, as explained in para. 156.	
791,316*l.*	

The bulk of the residue is, doubtless, due to the under-estimate of the cost of the War.

REGULAR ESTIMATES, 1880-81.

158. In the following Synopsis, the Revenues and Other Receipts and Expenditure and Other Disbursements of 1880-81, according to the Regular Estimates, are compared with the Budget Estimates of 1880-81 and with the Accounts of 1879-80:— Regular Estimates, 1880-81.

Synopsis.

	Accounts, 1879-80.	1880-81.		Regular Estimates of 1880-81 compared with			
				Original Estimates, 1880-81.		Accounts, 1879-80.	
		Original Estimates.	Regular Estimates.	Better.	Worse.	Better.	Worse.
	£	£	£	£	£	£	£
Revenues	68,484,666	66,746,000	70,768,000	4,022,000	.....	2,283,334	.....
Expenditure	69,667,615	66,329,000	77,037,000	.....	10,708,000	.....	7,369,385
Surplus Revenue	...	417,000	.....	.....	.....	.....	.....
Excess Expenditure	1,182,949	.....	6,269,000	.....	6,686,000	.....	5,086,051
Capital Expenditure on Productive Public Works	*13,095,192	3,312,000	3,448,000	.....	136,000	9,647,192	.....
Excess Expenditure	*14,278,141	2,895,000	9,717,000	.....	6,822,000	4,561,141	.....
Receipts other than Revenues	113,454,121	63,467,000	A 93,384,000	29,917,000	.....	.....	20,070,121
Disbursements other than Expenditure ...	97,786,057	63,322,000	A 82,457,001	.....	19,135,001	15,329,056	.....
Excess Receipts other than Revenues ...	15,668,064	145,000	10,926,999	10,781,999	.....	.....	4,741,065
Public Balances Reduced	...	2,750,000	.....	.....	.....	.....	.....
Public Balances Increased	1,389,923	.....	1,209,999	3,959,999	.....	.....	179,924
Closing Balances	15,300,001	13,250,000	16,510,000	3,260,000	.....	1,209 999	.....

* Includes 9,576,614*l.* part of the purchase-money of the East Indian Railway. (*See para.* 112.)
A—The difference between these figures and those shown in para. 111 arises from Money Order transactions having been shown gross in one place and net in another.

Regular Estimates, 1880-81.

159. In the following Table, the effects of the War upon the Revenue and Expenditure of the two years are eliminated :—

	1879-80.		1880-81.		Regular Estimates compared with Budget Estimates, 1880-81.	
	Accounts.		Budget Estimates.	Regular Estimates.	Better.	Worse.
Expenditure		69,667,615	66,329,000	77,037,000		10,708,000
War Expenditure Proper ...	4,816,623		2,090,000	11,389,000		9,299,000
Frontier Railways ...	1,334,350		2,040,000	2,228,000		188,000
Punjab Northern Railway ...	336,770	6,487,743	230,000 4,360,000	585,000 14,202,000		355,000 9,842,000
Expenditure without War		63,179,872	61,969,000	62,835,000		866,000
Revenue		68,484,666	66,746,000	70,768,000	4,022,000	
War Receipts	50,499		...	291,000	291,000	
Gain to Railways and Telegraphs. (*Despatch No.* 34, *dated* 26*th October* 1880).	312,600	363,099	246,000	246,000		
English Contribution ...	...	...	...	2,600,000 2,537,000	2,000,000 2,291,000	
Revenue without War ...		68,121,567	66,500,000	68,231,000	1,731,000	
Surplus or Deficit (—) by Accounts and Estimates.		—1,182,949	417,000	—6,269,000		6,686,000
Surplus without War ...		4,941,695	4,531,000	5,396,000	865,000	

160. Including the War, the Revenue and Expenditure of 1880-81, as now estimated, contrast as follows with the Original Estimates :—

	1879-80. Accounts.	1880-81. Original Estimates.	1880-81. Present Estimates.	1880-81. Present Estimates. Better.	1880-81. Present Estimates. Worse.
	£	£	£	£	£
Revenue	68,484,666	66,746,000	70,768,000	4,022,000	.....
Expenditure	69,667,615	66,329,000	77,037,000	... ..	10,708,000
Result	—1,182,949	+ 417,000	—6,269,000	.....	6,686,020

161. Without the War, these Estimates compare thus :—

	£	£	£	£	£
Revenue	68,121,567	66,500,000	68,231,000	1,731,000	.....
Expenditure	63,179,872	61,969,000	62,835,000	.....	866,000
Surplus	4,941,695	4,531,000	5,396,000	865,000	.....

162. The net cost of the War, upon the Accounts of 1880-81, is now expected to be 11,665,000*l.*, exceeding by 7,551,000*l.* the amount (4,114,000*l.*) originally estimated. Of this excess, 4,000,000*l.* may be attributed to the change of system by which the whole issues from the Treasuries to the Military Department are now shown at once as expenditure *(see para. 26)*, instead of, as heretofore, only the classified and audited portion of such expenditure.

163. The net improvement of the Revenue, apart from the War, according to the Accounts, is 1,731,000*l.*, of which 1,088,000*l.* is for *Opium*.

164. Paragraph 226 contains a Statement of the chief particulars in which the finances of these years are affected by known abnormal influences, and estimates of the true financial outturn of each year.

165. The net increase of expenditure, apart from the War, is 866,000*l.* The estimates show the following main increases of expenditure :—470,000*l.* for the *Railways*, chiefly the working expenses of the Indus Valley and Punjab Northern State Railways, 287,000*l.* for Provincial and Local *Public Works*, and 250,000*l.* in the Ordinary Expenditure upon the *Army*. There is a saving of 130,000*l.* under *Opium*.

The following are explanations of details :—

REVENUE, 1880-81.

Revenue, 1880-81.

166. *I. Land Revenue.*—Worse 309,000*l.* The Subordinate Revenue Officers having been everywhere occupied with the Census, the collections of February and March are expected to fall into arrear. Some revenue has been suspended in the North-Western Provinces and Oudh owing to drought, and, in Madras, owing to a Cyclone in November.

A full year's Land Revenue is now estimated at 22,050,000*l.* The Regular Estimate is 297,000*l.* short of this standard.

Regular Estimates, 1880-81.

The Land Revenue attributed to Productive Works is estimated at 2,000*l.* less than in the Budget.

167. *II. Tributes.*—Improvement 53,000*l.*, of which 30,000*l.* is a capital payment from the State of Dhár in commutation of its yearly contribution of 1,200*l.* towards the Málwa Bhíl Corps. The remainder is explained by arrear collections. (*See para.* 123.)

168. *III & 5. Forests.*—Revenue more 9,000*l.* Expenditure less 59,000*l.* Net better 68,000*l.* Certain sleeper operations in the Central Provinces and the North-Western Provinces have been postponed till 1881-82.

169. *IV & 6. Excise.*—Revenue more 293,000*l.* Expenditure less 16,000*l.* Net better 309,000*l.* This is partly due to the transfer from *IX, Opium,* explained in para. 125: but there is a real general improvement of the revenues everywhere but in Madras. Some compensations in commutation of claims upon the Excise revenue in Bombay have been transferred to *27, Allowances & Assignments.*

170. *V & 7. Assessed Taxes.*—Revenue more 15,000*l.* Expenditure more 3,000*l.* Net better 12,000*l.* The improvement occurs in the several Provinces of the Bengal Presidency.

171. *VI & 8. Provincial Rates.*—Revenue more 19,000*l.* Expenditure less 5,000*l.* Better 24,000*l.* The revenue in Bengal was under-estimated, and there has been a transfer of expenditure to *17, Administration.* (*See para.* 188.)

172. *VII & 9. Customs.*—Revenue better 347,000*l.* Expenditure less 4,000*l.* Altogether better 351,000*l.*

Due to a great increase of imports of all sorts, especially of cotton goods, the net value of which in the first eleven months of 1880-81 was 23,199,887*l.* as compared with 16,769,978*l.* in 1879-80.

The value of all imports of merchandise during the same period was 48,396,363*l.* in 1880-81 against 37,227,741*l.* in 1879-80—an increase of 30 per cent.

The exports of rice and paddy also in these first eleven months of 1880-81 amounted to 21,432,054 cwts. against 16,588,376 last year—an increase of 29 per cent. The export duties during this period exceeded the duties in the first eleven months of 1879-80 by 69,000*l.*

173. *VIII & 10. Salt.*—Revenue less 488,000*l.* Expenditure more 3,000*l.* Worse 491,000*l.* Decrease of 384,000*l.* in Upper India and 114,000*l.* elsewhere.

The Estimate followed the Regular Estimate of 1879-80 (7,335,000*l.*), to which a moderate addition (206,000*l.*) was made in anticipation of the effects of the Goa Treaty and the exhaustion of the untaxed stocks in Rájputáná. The Regular Estimate of 1879-80 failed to the extent of 69,000*l.*; and, now, the Regular Estimate 1880-81 falls below the ascertained revenue of 1879-80 by 213,000*l.*

The only explanations of this as yet forthcoming are—

(1) The off-take at Sámbhar was artificially stimulated in November and December 1879 by the exhaustion of the coarser salt and the sale of superior salt to all-comers at the lowest fixed price. When the Estimates of last year were made, the Government was not aware of this.

(2) It is believed that some part of the revenue of 1880-81 in Upper India was credited in 1879-80. The revenue was then reported by the Commissioner; now, it is credited direct from the treasuries.

(3) Government depôts have been opened this year, with the effect of reducing, at first, the off-take at the sources.

174. *IX & 11. Opium.*—Revenue more 1,088,000*l.* Expenditure less 130,000*l.* Improvement 1,218,000*l.* Average price of a chest of Bengal Opium during the year Rs. 1,362-5-2, as follows:—

	Rs.	A.	P.
Behár	1,386	11	5
Benáres	1,337	15	0
Both	1,362	5	2

The relative price of Benáres Opium has been very high.

Bengal Opium has yielded 1,621,000*l.* more than estimate, and Málwa 600,000*l.* less. Opium sold for Home Consumption has yielded 77,000*l.* more than estimate, in cost price, which alone is credited under this head; the profits are credited under *IV, Excise.* The saving of expenditure is owing to the crop of 1880-81 having been short.

The price paid to the cultivators in the Behár Agency was raised, on the 6th September from Rs. 4½ to Rs. 5 a seer 70 per cent. consistence.

175. *X & 12. Stamps.*—Revenue more 65,000*l.* Expenditure less 9,000*l.* Better 74,000*l.* The chief improvement is in the North-Western Provinces (49,000*l.*)

176. *XI & 13. Registration.*—Revenue more 22,000*l.* Expenditure more 9,000*l.* Better 13,000*l.* The chief improvement is in the North-Western Provinces (12,000*l.*)

177. *XII & 14. Mint.*—Revenue less 107,000*l.* Expenditure less 31,000*l.* Worse 76,000*l.* The mints have been idle. Only 3,699,808*l.* worth of silver net was imported in the first eleven months against 7,383,811*l.* last year.

178. *XXIV & 30. Miscellaneous.*—Revenue more 119,000*l.* Expenditure more 21,000*l.* Net better 98,000*l.* The chief item is 68,600*l.* for land sold in London

179. *XXV & 32. Railways.*—The original grant was for 6,751,000*l.* It is now shown at only 6,595,000*l.*, the sum of 156,000*l.*, interest on India 4 per cent. stock issued in redemption of East Indian Railway Debentures, having been transferred to *1, Interest.* The amount re-appears in the Profit and Loss Account of Productive Public Works, in the item *1, Interest on*

Regular Estimates, 1880-81.

Debt. Exclusive of Frontier Railways and Punjab Northern Construction treated as part of the War expenditure, the revenue was more 125,000*l.* and the expenditure more 370,000*l.* Net worse 245,000*l.* The Railways have yielded, on the whole, net 159,000*l.* less revenue than estimate; 87,000*l.* more has been spent upon various petty railways, especially the Salt Branches at Sámbhar and in the Punjab. Particulars of the traffic of the several classes of Railways are given in para. 245.

180. *Profit and Loss Account of Railways constructed as Productive Works.*—Revenue more 25,000*l.* Expenditure more 284,000*l.* Net worse 159,000*l.*

181. *XXVIII & 35. Provincial and Local Deficits and Surplus.*—Improvement in these accounts 206,000*l.* Net surplus 90,000*l.*, notwithstanding the contribution of 335,000*l.* as explained in paras. 170 and 207 of last Statement: notwithstanding, also, the expenditure of 323,700*l.* in excess of the estimates on Public Works, including Railways. The Provincial and Local Finances are flourishing.

EXPENDITURE, 1880-81.

Expenditure, 1880-81.

182. *1 & XXXII, Interest.*—As explained in para. 179, 156,000*l.* has been transferred, in the Budget of 1880-81, from *32, Railways* to this head. Expenditure more 12,000*l.* Revenue more 178,000*l.* Net better 166,000*l.*

172,000*l.* interest accidentally saved in 1880-81, at Home. (*See para.* 208 *of Financial Statement for* 1880-81).

A Loan of 3,130,000*l.* at 4½ per cent. interest was raised in India under Notification No. 461, dated 14th May 1880.

Including this Loan, 3,443,400*l.* is due in India for interest in 1880-81. But only 3,411,000*l.* is now likely to be paid. Of the saving, 7,700*l.* is interest upon securities held as a temporary investment. (*See, for example, para.* 152.) Besides this, it is expected that 24,700*l.* interest will be undrawn. This explains why the increase of charge is so small.

The increase of revenue is at the Home Treasury, where 156,000*l.* was realised as premium on the 3½ per cent. Loan.

The portion of the whole charge for Interest entered in the Profit and Loss Account of Productive Public Works has increased by 286,000*l.* A portion of the capital cost of the works the revenue of which is shown in this Account, has not, as yet, been entered under 38, *Productive Public Works.* Interest upon this portion of the whole capital has not, hitherto, been included in this Account. In accordance with instructions contained in the Secretary of State's despatch No. 60, dated 10th February 1881, it has now been added.

183. *Interest, Other Accounts.*—Increase 2,000*l.* The reason why this head does not show more effects of the increase in the Savings Banks Deposits, is that interest on the deposits in the Presidency Savings Banks is not payable till 1st April.

184. 3. *Refunds and Drawbacks.*—More 116,000*l.* 99,500*l.* added to redress double credit under *Salt* in 1878-79.

185. 4. *Land Revenue.*—Less 12,000*l.* Needs no explanation.

186. *15 & XIII, Post Office.*—Expenditure more 34,000*l.* Revenue more 21,000*l.* Worse 13,000*l.* Larger payments to the East Indian and Great Indian Peninsula Railway Companies for the carriage of mails.

187. *16 & XXIV, Telegraphs.*—Revenue more 39,000*l.* Expenditure more 31,000*l.* Net better 8,000*l.* Needs no explanation.

188. 17. *Administration.*—Increase 77,000*l.* 24,000*l.* is for Tour Allowances, the greater part of which is nominal, it having been resolved to charge off at once the advances made to the establishments of the Government of India, on their leaving Calcutta for Simla. A part (about 6,000*l.*) is real, owing to the Government finding it impracticable to restrict the Simla allowances of the establishments, as intended. 22,000*l.* occurs at home for the expenses attending the conversion of the 5 per cent. Loan, and the outfit and passage-money of His Excellency the Viceroy and his suite and two Members of Council. 10,000*l.* is a transfer from 8, *Provincial Rates,* being the cost of Local Fund administration in Bengal.

189. *18 & XV, Minor Departments.*—Expenditure less 29,000*l.* Revenue more 3,000*l.* Better 32,000*l.* The 60,000*l.* provided for the Census is not likely to be all spent this year.

190. *19 & XVI, Law and Justice.*—Expenditure less 133,000*l.* Revenue less 15,000*l.* Net better 118,000*l.* The saving is in the Provincial Expenditure, and is probably due to cheaper food.

191. *20 & XVII, Police.*—Expenditure more 2,000*l.* Revenue more 5,000*l.* Net improvement 3,000*l.* No remarks.

192. *21 & XVIII, Marine.*—Expenditure less 30,000*l.* Revenue less 16,000*l.* Net better 14,000*l.* Needs no remarks.

193. *22 & XIX, Education.*—Expenditure less 27,000*l.* Revenue more 15,000*l.* Better 42,000*l.* Compared with recent years, the grant appears to have been excessive.

194. *23. Ecclesiastical.*—No change.

195. *24 & XX, Medical.*—Expenditure 39,000*l.* Revenue more 4,000*l.* Net worse 35,000*l.* There has been a transfer of establishments from the Military to the Civil Department. The two grants together show a saving of 21,000*l.*

196. *25 & XXI, Stationery and Printing.*—Expenditure more 11,000*l.* Revenue more 17,000*l.* Better 6,000*l.* No explanation required.

197. *26, Political.*—More 70,000*l.* 28,400*l.* paid at Home as arrears for the China Establishments. There were also some arrears in India from 1879-80. (*See para.* 137.) The rest is partly for the Durbár at Lahore, but chiefly for Afghán affairs.

198. *27, Allowances & Assignments.*—More 66,000*l.* 25,000*l.* (Bombay Abkárí Compensations) transferred from *6, Excise.* (*See para.* 169.) Large arrear payments to Bombay Inámdárs and large payments to Portuguese owners of salt-pans closed at Goa. (*See also para.* 138.) Regular Estimates, 1880-81.

199. *28, Civil Furlough Allowance.*—Saving 10,000*l.* No remarks.

200. *29 & XXIII, Pensions.*—Expenditure more 179,000*l.* Revenue less 63,000*l.* Insufficient provision made for the cost of the reduction of Public Works Establishments in 1879. The reduction of revenue occurred chiefly at Bombay and is explained as follows:—

11,200*l.* reduction in subscriptions to the Military Fund.
48,400*l.* It was estimated that this amount would be transferred from the balance at credit of the Military Fund: but it was overlooked that the balance was exhausted.
1,700*l.* interest on the Local Pension Fund Balance transferred to XXII *Interest.*

201. *31. Famine Relief.*—Expenditure more 42,000*l.* to close the account of the Madras Famine.

202. *33 & XXVI, Irrigation & Navigation,* and *34 & XXVII, Other Public Works.*—Expenditure more 347,000*l.* Revenue more 5,000*l.* Net expenditure more 342,000*l.* Of the excess, 287,000*l.* is Provincial and Local Expenditure rendered possible by the flourishing condition of the Provincial Finances.

Profit and Loss Account: Productive Works.—Expenditure more 37,000*l.* Revenue more 15,000*l.* Net worse 22,000*l.* No remarks.

203. *36 & XXIX, Army* (exclusive of the War).—Expenditure more 250,000*l.* Revenue more 117,000*l.* Net worse 133,000*l.* Due probably to the difficulty of classifying all the War charges. (*See para.* 144.) The increased revenue is chiefly in receipts at Home from Her Majesty's Government for the Troop transports and (27,000*l.*) an adjusting payment by the War Office.

204. *37 & XXX. Exchange*—Expenditure less 316,000*l.* Revenue more 305,000*l.* Net better 621,000*l.*

The saving in expenditure is owing to the Secretary of State raising only 15,091,040*l.* instead of 16,900,000*l.* as estimated. Bills for Rs. 18,15,00,000 have been sold, so that the remittances have been effected at an exchange of 1*s.* 7,95*d.* The loss on the bills is thus 3,058,960*l.*, to which 36,040*l.* is added for loss on other items, making the total 3,095,000*l.*

The increased Gain by Exchange is mainly in the Guaranteed and East Indian Railway Capital Transactions. The conversion, at the adjusting rate of the year (1*s.* 8*d.*), of the 1,000,000*l.* Debentures of the Company paid off in January 1881 into Rs. 1,20,00,000 on the Indian Books, involves the entry of 200,000*l.* under the Head of *Gain by Exchange.*

205. *38, Productive Public Works Capital Expenditure.*—Expenditure more 136,000*l.* (*See remarks in para.* 276.)

WAYS AND MEANS, 1880-81.

206. In the following Statement, the Receipts and Disbursements of the year 1880-81, other than Revenue and Expenditure, as now estimated, are compared with the Original Estimates:— Ways and Means, 1880-81.

	1879-80. Accounts.	1880-81. Budget Estimates.	1880-81. Regular Estimates.	Regular Estimates compared with Budget Estimates. Better.	Worse.
	£	£	£	£	£
Receipts	113,454,121	63,467,000	93,384,000	29,917,000	...
Disbursements	107,516,919	63,322,000	82,457,001	...	19,135,001
	—5,937,202	145,000	10,926,999	10,781,999	...

207. The following Compendium shows the details of this considerable improvement:—

Net Receipts.	Original Estimates, 1880-81.	Present Estimates, 1880-81.	Present Estimates. Better.	Worse.
	£	£	£	£
II & 2.—Public Debt incurred	706,000	3,587,000	2,881,000	
III & 3.—Service Funds, &c.	395,000	204,000	...	191,000
IV & 4.—Savings Banks	124,000	1,075,000	951,000	
V & 5.—Political and other Excluded Funds... ...	—68,000	—189,000	...	121,000
VI & 6.—Provincial and Local Surplus and Deficits ...	—116,000	90,000	206,000	
VII & 7.—Deposits and Advances	436,000	5,045,000	4,609,000	
VIII & 8.—Loans to Native States, &c.	—19,000	44,000	63,000	
IX & 9.—Guaranteed Capital	—682,000	—302,000	380,000	
X & 10.—Money Orders	Nil.	108,000	108,000	
XI & 11 and XIII & 13. } Remittances	—631,000	1,375,999	2,006,999	
XII & 12.—London Bills	Nil.	—111,000	...	111,000
Total ...	145,000	10,926,999	10,781,999	
Deficit of Imperial Revenue	2,895,000	9,717,000		
Balances reduced or increased	—2,750,000	1,209,999		
	145,000	10,926,999		

Regular Estimates, 1880-81.

208. Of the 10,926,999*l.* thus obtained, 9,717,000*l.* was wanted to supply the deficit of revenue, which, here, includes the expenditure on Productive Public Works. The remaining 1,209,999*l.* has been added to the balances.

The following remarks are offered on the details of these Estimates :—

209. *II & 2. Registered Debt increased* 3,587,000*l.* Increase, in India 3,085,000*l.*, and, in England, 502,000*l.* Receipts more than estimate 2,881,300*l.* The addition to the debt in India is explained by the Rupee Loan (3,113,000*l.*) of the 14th May 1881. The Home addition is temporary and disappears in 1881-82.

210. *III & 3. Service Funds.*—Net receipts less 191,000*l.* There was an over-estimate.

211. *IV & 4. Savings Banks.*—Added to deposits 1,075,000*l.* More than Estimate 951,000*l.* The attractions of the Rules published last year were underrated, *(See also para.* 153.) Their effect was stimulated by the abundance of unemployed money.

212. *5 & V. Political and other Excluded Funds.*—Net withdrawn 189,000*l.* Worse than Estimate 108,000*l.* Due to the payment of 106,000*l.* from the Nizámat Fund to the Nawáb Názim of Bengal.

213. *VI & 6. Provincial and Local Surplus and Deficits.*—Surplus 90,000*l.* instead of Deficit 116,000*l.* as estimated. (*See para.* 181.)

214. *VII & 7. Deposits & Advances.*—Net receipts 5,045,000*l.*, namely, in India 4,545,100*l.* and in England 499,900*l.* More than estimate 4,596,000*l.* The receipts in India are in correspondence with the change of procedure by which the whole of the Military issues are now treated immediately as expenditure. (*See para.* 26.) The advances so treated are balanced by credits under this Head. The receipt at Home is the portion of the English contribution received in 1880-81 which is not to be credited as Revenue till 1881-82.

215. *VIII & 8. Loans to Native States, &c.*—Net recoveries 44,000*l.* More than estimate 63,000*l.* Better recoveries than were expected.

216. *IX & 9. Guaranteed Capital.*—Receipts in India 502,900*l.* Payments in England 804,900*l.* Net withdrawals 302,000*l.* Less than estimate 380,000*l.* The Companies habitually over-estimate their requirements.

217. *X & 10. Money Orders.*—Net receipts 108,000*l.* Net improvement 108,000*l.* These are always estimated, originally, in equilibrium. There has been a great expansion of these orders since they were transferred to the Post Office (*see para.* 96), one of the consequences of which is that an increased balance of 108,000*l.* is expected to remain in our treasuries.

218. *XI & 11. Remittances.*—Receipts in India 2,605,499*l.* Payments in England 1,229,500*l.* Net receipts 1,375,999*l.* Improvement 2,006,999*l.* These entries also are the outcome of the changes made in the Military Accounts and the contraction of the military operations beyond the Frontier. Moreover, the balances at the Mints have been reduced owing to slack coinage operations, and other Civil Departmental balances have diminished.

219. *XII & 12. London Bills.*—Net payment 111,000*l.* Under instructions from the Secretary of State, the decrease or increase of the bills outstanding at the end of the year, as compared with the beginning of the year, is now shown under this head.

220. *Balances.*—Balances in India reduced 229,901*l.* Balance in England increased 1,439,900*l.* Net increase 1,209,999*l.* The transactions of the Home Treasury are, just now, abnormal.

BUDGET ESTIMATES, 1881-82.

Budget Estimates, 1881-82.

221. In the following Synopsis, the Budget Estimates of Revenue and Other Receipts and Expenditure and Other Disbursements in 1881-82 are compared with the Regular Estimates of 1880-81 and the Accounts of 1879-80 :—

Synopsis.

	Accounts, 1879-80.	1880-81. Regular Estimates.	1881-82. Budget Estimates.	Budget Estimates of 1881-82 compared with Regular Estimates, 1880-81. Better.	Worse.	Accounts, 1879-80. Better.	Worse.
	£	£	£	£	£	£	£
Revenues	68,484,666	70,768,000	70,981,000	213,000	...	2,496,334	...
Expenditure	69,667,615	77,037,000	70,126,000	6,911,000	...	...	458,385
Surplus Revenue	...	...	855,000	7,124,000	...	2,037,949	...
Excess Expenditure	1,182,949	6,269,000	...	...	...	...	...
Capital Expenditure on Productive Public Works	13,095,192*	3,448,000	4,873,000	...	1,425,000	8,222,192	...
Excess Expenditure	14,278,141*	9,717,000	4,018,000	5,699,000	...	10,260,141	...
Receipts other than Revenue	113,454,121	93,384,000 A	76,262,000	...	17,122,000	...	37,192,121
Disbursements other than Expenditure ...	97,786,057	82,457,001 A	76,764,000	5,693,001	...	21,022,057	...
Excess Receipts other than Revenue ...	15,668,064	10,926,999	−502,000	...	11,428,999	...	16,170,064
Public Balances Reduced	...	...	4,520,000	...	5,729,999	...	5,909,923
Public Balances Increased	1,389,923	1,209,999	...	...	...	...	...
Closing Balances	15,300,001	16,510,000	11,990,000	...	4,520,000	...	3,310,001

* Includes 9,576,614*l.* for the East Indian Railway. (*See para.* 112.)

A—The difference between these figures and hose shown in para. 111 arises from Money Order transactions having been shown *gross* here and *net* in para. 111.

222. In the following Table the effects of the War upon the Finances of the three years, are eliminated :— Budget Estimates, 1881-82.

	1879-80.		1880-81.				1881-82.		Budget Estimate compared with Regular Estimate, 1880-81.		
	Accounts.		Budget Estimates.		Regular Estimates.		Budget Estimates.		Better.		Worse.
	£	£	£	£	£	£	£	£	£	£	£
Expenditure ...		69,667,615		66,329,000		77,037,000		70,126,000		6,911,000	
War Expenditure Proper ...	4,816,623		2,090,000		11,389,000		2,271,000		9,118,000		
Frontier Railways...	1,334,350		2,040,000		2,228,000		790,000		1,438,000		
Punjab Northern State Railway ...	336,770	6,487,743	230,000	4,360,000	585,000	14,202,000	98,000	3,159,000	487,000	11,043,000	
Expenditure without War ...		63,179,872		61,969,000		62,835,000		66,967,000			4,132,000
Revenue ...		68,484,666		66,746,000		70,768,000		70,981,000		213,000	
War Receipts ...	50,499		...		291,000		61,000		...		230,000
Gain upon Railways and Telegraphs ...	312,600		246,000		246,000		3,000		...		243,000
English contribution	...	363,099			2,000,000	2,537,000	3,000,000	3,064,000	1,000,000	527,000	
Revenue without War ...		68,121,567		66,500,000		68,231,000		67,917,000			314,000
Surplus or Deficit (—) by Accounts and Estimates ...		—1,182,949		417,000		—6,269,000		855,000	7,124,000		
Surplus without War ...		4,941,695		4,531,000		5,396,000		950,000			4,446,000

223. Including the War, the Budget Estimates of 1881-82 compare thus with the Regular Estimates of 1880-81 :—

	Accounts, 1879-80.	Regular Estimates, 1880-81.	Budget Estimates, 1881-82.	Budget Estimates, better, 1881-82.
	£	£	£	£
Revenue	68,484,666	70,768,000	70,981,000	213,000
Expenditure ...	69,667,615	77,037,000	70,126,000	6,911,000
Result ...	—1,182,949	—6,269,000	855,000	7,124,000

224. Excluding the War, these Estimates compare thus—

	Accounts, 1879-80.	Regular Estimates, 1880-81.	Budget Estimates, 1881-82.	Budget Estimates, worse, 1881-82.
	£	£	£	£
Revenue	68,121,567	68,231,000	67,917,000	314,000
Expenditure ...	63,179,872	62,835,000	66,967,000	4,132,000
Surplus ...	4,941,695	5,396,000	950,000	4,446,000

225. The greater part of the large deficiency thus apparent in 1881-82 is accounted for thus—

	£
Entry under 31, Famine Insurance	1,500,000
Opium Estimate net worse than the Regular Estimate	1,968,000
Contribution from Local Governments in 1880-81	335,000
Net loss by exchange worse	510,000
	4,313,000

Budget Estimates, 1881-82.

226. The following Table shows in what respects these Accounts and Estimates are affected by known abnormal influences, and what is estimated to be the true state of the finances of each year :—

Heads of Account.		1879-80. £	1880-81. £	1881-82. £
	SURPLUS by the Estimates (*para.* 223)	...	...	855,000
I	Short Land Revenue (*para.* 166)	...	297,000	...
IX	Under-estimate, Opium Revenue (*para.* 279) ...	...	...	1,500,000
I	Excess charge under *1, Interest* (estimated) ...	250,000	...	...
18	The Census (*para.* 260)	...	50,700	73,030
21	Purchase of troop-ship for Indian watets (*para.* 263)...	...	...	129,000
26	Grant to the Amír of Kabul (*para.* 268)	...	...	100,000
27	Arrears, French compensation	...	20,000	...
29	Bonuses to reduce the Public Works Department (estimated)	125,000	125,000	...
31	Devoted to the repayment of Debt (*Grant No. 31, para.* 57)	...	...	750,000
32	Sinking Fund payments, East Indian Railway ...	...	55,800	58,300
32	Frontier Railways (*para.* 222)	1,334,300	2,228,000	790,000
32	Abnormal expenditure Jhílam and Ráwalpindí Railway (*para.* 222)	336,700	584,600	98,100
36	Net War expenditure under Army (*para.* 222) ...	4,766,100	9,198,500	—790,000
*37 & XXX.	Loss by exchange on remittances to Home Treasury in excess of Net Expenditure... ...	...	...	106,420
	Total ...	6,812,100	12,559,600	3,669,850
	DEDUCT—			
	DEFICIT as by Accounts and Estimates (*para.* 221) ...	1,182,900	6,269,000	...
I	Abnormal Land Revenue (*paras.* 122 *and* 232) ...	413,500	...	455,000
II	Capitalisation of Dhár Contribution (*para.* 167) ...	...	30,000	...
XIV & XXV	Increased Revenues from the War (*para.* 222) ...	312,600	245,700	2,500
XXII	Premium on Loans at Home (*para.* 249) ...	...	156,000	...
XXIII	Credits from the Military Funds	219,800	26,900	25,500
XXVIII	Special Contributions, Local Governments (*para.* 118)	335,000	335,000	...
1	Short charge under *1, Interest* (*see para.* 186) ...	...	24,700	...
1	Ditto nominally saved in 1880-81 (*see para.* 182) ...	...	172,000	...
11	Short charge for the quantity of Opium sold ...	92,500	233,000	...
27	French compensation not paid	20,000	...	...
32	Saved during transition state of East Indian Railway	...	105,700	...
*37 & XXX.	Loss by exchange on deficient remittances to Home Treasury (no credit taken for the British contribution)	81,662	415,132	...
	Total ...	2,657,962	8,013,132	483,000
	ESTIMATED NET TRUE ADJUSTED SURPLUS ...	4,154,138	4,546,468	3,186,850

227. Of the falling off shown in this Table in the estimated true surplus of 1881-82, as compared with that of 1880-81, 750,000*l.* is explained by the new grant for Protective Public Works. (*See para.* 58.)

228. The English contribution of 3,000,000*l.*, substantially, covers the cost of the War upon the Estimates of 1881-82, which are therefore, so far, normal and undisturbed.

229. The following Synopsis shows the entire cost of the War as known and estimated to date :—

(000 omitted except in the last column.)

		1878-79.	1879-80.	1880-81.	1881-82.	1882-83.	£		GRAND TOTAL.	In sterling = @1s. 8d.
WAR EXPENDITURE PROPER—	In India ...	60,01	4,59,16	11,02,59	2,21,00	...	... ...		18,42,76	15,356,333
	In England	7,61	17,45	7,26	...	...	32,32 @1s. 8d.	=	38,78	323,191
	Total ...	67,62	4,76,61	11,09,85	2,21,00	...			18,81,54	15,679,524
Deduct English Contribution	... ...	...	...	2,00,00	3,00,00	...	5,00,00 @1s. 8d.	=	6,00,00	5,000,000
Net cost to India ...	... ...	...	...	9,09,85	—79,00	...			12,81,54	10,679,524
FRONTIER RAILWAYS—	In India ...	...	1,08,99	1,50,50	38,60	...	 3,08,09			
	In England	...	24,44	72,30	40,40	10,00	1,37,14@1s. 8d. = 1,64,57		4,72,66	
			1,33,43	2,22,80	79,00					
							Deduct expected eventual recoveries by sale of Surplus Stores on Frontier Railways ...		25,00 4,47,66	3,730,500
	GRAND TOTAL ...	67,62	6,10,04	11,32 65	...	10,00			17,29,20	14,410,024
Deduct Estimated Gain from the War under *Railways* and *Telegraphs* (*Despatch, 26th October* 1880)		11,88	31,26	24,57	25	...			67,96	566,333
REMAINS: ESTIMATED NET COST OF THE WAR TO INDIA		55,74	5,78,78	11,08,08	—25	10,00			16,61,24	13,843,691
Expenditure on the Punjab Northern State Railway hurried on in consequence of the War, and entered under 32 *Railways* ...		...	33,67	58,46	9,81	...			1,01,94	849,500
	Total ...	55,74	6,12,45	11,66,54	9,56	10,00			17,63,18	14,693,191
							Add English Contribution		... 6,00,00	5,000,000
							GRAND TOTAL		... 23,63,18	19,693,191

THUS CALCULATED—	1879-80. £		1880-81. £		1881-82. £		
NET EXPENDITURE at the Home Treasury	24,330,785		14,620,800		16,187,900		
Deduct purchase of East Indian Railway and Madras Irrigation Company's works	9,565,939				1,405,000		
	14,764,846	†=@19·938 Rs. 17,772,971 £14,764,846	14,620,800	†=@19·95*d.* Rs. 17,588,932 £14,620,800	14,782,900	†@ 1s. 8d. Rs. 17 739,480 £14,782,900	
Loss thereon as compared with an Exchange of 1 Re. = 2*s.*	...	3,008,065		2,968,132			2,956,580
Loss shown in the Accounts	3,246,983		3,695,060			3,475,000	
Gain ditto	320,580	2,926,403	542,000	2,553,000		412,000	3,063,000
	Short loss in Accounts	81,662	Short Loss in Estimates ...	415,132	Excess Loss in Estimates		106,420

† The average rate obtained for the Secretary of State's Bills during the year.

230. Apart from the War, the estimated Revenue of 1881-82 falls short of the Revenue of 1880-81, according to the Regular Estimates, by 557,000*l.* The opium revenue is estimated at 1,735,000*l.* less; but this is neutralised by an excess of 742,000*l.* under *I, Land Revenue* due to the accidental postponement of collections from the end of 1880-81 to the beginning of 1881-82, and by an excess credit of 709,000*l.* under *XXVIII, Provincial and Local Deficits.* A large expenditure from the Provincial and Local Balances on public works is contemplated. Budget Estimates, 1881-82.

231. Apart from the War, the Expenditure of 1881-82 is expected to exceed that of 1880-81 by 3,632,000*l.*, of which 1,453,000*l.* is due to the provision of 1,500,000*l.* for *Protective Works and the Reduction of Debt*, 690,000*l.* is explained by the increased Provincial and Local expenditure on *Public Works*, 380,000*l.* is for *Interest*, 380,000*l.* for *Loss by Exchange*, 233,000*l.* for *Opium*, and the balance is in minor sums.

The following are detailed explanations:—

REVENUE, 1881-82.

232. *I. Land Revenue.*—Better 742,000*l.* Excess over a normal year's revenue 445,000*l.* Due to the postponement of collections from 1880-81, for the reasons explained in para. 166. Rr

The Land Revenue attributed to Productive Public Works shows an improvement of 6,000*l.*

233. *II. Tributes.*—Worse 46,000*l.* Nominal. The revenue of 1880-81 was abnormally high, as explained in para. 167.

234. *III & 5. Forest.*—Revenue more 71,000*l.* Expenditure more 98,000*l.* Net worse 27,000*l.* Due to the postponement till 1871-72 of the operations mentioned in para. 168.

235. *IV & 6. Excise.*—Revenue less 44,000*l.* Expenditure more 4,000*l.* Worse 48,000*l.* The estimated loss of revenue is owing to endeavours to restrict the consumption of opium in Burma.

236. *V. & 7. Assessed Taxes.*—Revenue: no change. Saving in expenditure 8,000*l.* The assessments in Bengal having been completed, the cost of working the License Tax is reduced.

237. *VI & 8. Provincial Rates.*—Revenue, better 80,000*l.* Expenditure, no change. Some collections postponed from 1880-81 for the reasons which caused the postponement of the Land Revenue. (*See para.* 166. The Village Service Cess is being extended in Madras. (*See para.* 256.)

238. *VII & 9. Customs.*—Revenue less 155,000*l.* Expenditure more 6,000*l.* Worse 161,000*l.* It is not thought prudent to estimate for a continuance of the prosperity of 1880-81. (*See para.* 172.)

239. *VIII & 10. Salt.*—Revenue more 100,000*l.* Expenditure more 57,000*l.* Net better 43,000*l.* The revenue estimated is still 113,000*l.* below the revenue actually realised in 1879-80, and should be safe. The increased expenditure is for expected Royalties at Sámbhar and for the purchase of salt at Goa.

240. *IX & 11. Opium.*—Revenue less 1,735,000*l.* Expenditure more 233,000*l.* Net worse 1,968,000*l.* Estimated, under instructions from the Secretary of State, to produce 6,500,000*l.* net revenue.

The reserve stock of opium on the 31st December 1881 will be 21,583 chests, namely:—

Behár	8,854
Benáres	12,729
Total ...	21,583

besides the crop of 1880-81.

241. *X & 12. Stamps.*—Revenue more 31,000*l.* Expenditure more 18,000*l.* Better 13,000*l.* Copying fees are to be levied in Bengal, and Amíns' fees in the North-Western Provinces and Oudh, by stamps. The excess expenditure is for stores from home.

242. *XI & 13. Registration.*—Revenue more 3,000*l.* Expenditure more 11,000*l.* The operations of the Department are extending.

243. *XII & 14. Mint.*—Revenue, no change. Expenditure more 25,000*l.* for stores from home. The mints are not expected to resume activity at present.

244. *XXIV & 30. Miscellaneous.*—Revenue less 116,000*l.* Expenditure less 14,000*l.* Worse 102,000*l.* Some special items of revenue in 1880-81.

245. *XXV & 32. Railways.*—Revenue more 280,000*l.* Expenditure more (exclusive of Frontier Railways and Punjab Northern Construction) 356,000*l.* Net worse 76,000*l.*, which is more than covered by excess Provincial Capital Expenditure (chiefly on the Calcutta and South-Eastern and Sonápúr-Mágúrá Lines) amounting to 88,000*l.*

Profit and Loss Account, Productive Works (Railways).—Revenue more 280,000*l.* Expenditure 197,000*l.* Better 83,000*l.*

Ordinary Capital Expenditure—

Provincial	125,000
Imperial	193,700
Total ...	318,700

Budget Estimates, 1881-82.

246. The following are the statistics of the several classes of Railways called for in para. 3 of the Secretary of State's despatch No. 259, dated 5th August 1880 :—

	Accounts, 1879-80.			Regular Estimates, 1880-81.			Budget Estimates, 1880-81.		
	Gross Earnings.	Working Expenses.	Net Earnings.	Gross Earnings.	Working Expenses.	Net Earnings.	Gross Earnings.	Working Expenses.	Net Earnings.
	£	£	£	£	£	£	£	£	£
Guaranteed Lines ...	7,333,631	4,857,284	2,476,347	7,785,000	5,090,000	2,695,000	7,490,000	4,760,000	2,730,000
East Indian Railway ...	4,611,878	1,516,487	3,095,391	4,280,000	1,480,000	2,800,000	4,250,000	1,450,000	2,800,000
Other State Railways...	1,548,728	1,215,231	333,497	2,174,500	1,573,050	601,450	2,420,000	1,668,700	751,300
Total ...	13,494,237	7,589,002	5,905,235	14,239,500	8,143,050	6,096,450	14,160,000	7,878,700	6,281,300

Details are given in Table VII of the Appendix.

247. *XXVIII & 35. Provincial and Local Deficits and Surplus.*—The Provincial Governments estimate, on the whole, deficits amounting to 707,000*l.* This is owing to their intending to expend on Public Works, including 88,000*l.* for Railways, 755,000*l.* more than in 1880-81, or 1,079,000*l.* more than their original estimates for 1880-81. (*See para.* 273.)

248. If the programme of the Provincial Governments is carried out they will end the year with balances as follows :—

	Provincial.	Local.	Total.
Balance on 1st April 1880	1,723,000	1,300,000	3,023,000
Add Surplus and Debt Items (2,000) 1880-81 ...	72,000	20,000	92,000
	1,795,000	1,320,000	3,115,000
Deduct Deficit and Debt Items (5,000) 1881-82 ...	468,000	244,000	712,000
	1,327,000	107,600	2,403,000

Thus, these Governments have still large funds at their disposal.

Expenditure.

EXPENDITURE, 1881-82.

249. *1 & XXII. Interest.*—Expenditure more 380,000*l.* Revenue less 151,000*l.* Worse altogether 531,000*l.* Provision made for a Loan of 3,000,000*l.* at 4 per cent. interest. The excess expenditure is thus explained :—

	£	£
Home Treasury—		
Nominal saving 1880-81 (*See para.* 182)	172,000	
Interest on 3½ per cent. stock for 1,000,000*l.* issued instead of the East Indian Railway Debentures due January 1881	35,000	
Differences which cannot be explained in India	7,300	
		214,300
In India—		
Second half-year's interest on 4½ per cent. Loan of 1881	70,400	
First do. do on 4 per cent. Loan of 1882	60,000	
Unpaid interest in 1880-81	35,300	
		165,700
		380,000

The decrease of revenue is nominal, the revenue of 1880-81 having been swollen by receipt of the premium 156,000*l.* on the 3½ per cent. Loan.

250. Of the whole charge for interest, the following amounts have been paid from Provincial sources, or charged in the Profit and Loss Account against Productive Public Works.—

	Paid from Provincial Sources.	Charged against Productive Public Works.
1876-77	...	89,59
1877-78	...	1,06,79
1878-79	63,70	1,40,78
1879-80	67,76	1,81,88
1880-81 } Estimates {	72,09	2,16,71
1881-82 } {	77,25	2,44,91

251. The following is a calculation from the interest payments, of the proportion of the Registered Debt of India held by Europeans and Natives on the 31st December of each year from 1870 to 1880. The Loan of 1880 was taken wholly* by Europeans :—

Years.	Europeans.	Natives.	Total.	% Europeans.	% Natives.
1870 ...	52,53,46	13,34,25	65,87,71	79·75	20·25
1871 ...	49,43,58	16,25,39	65,68,97	75·26	24·74
1872 ...	50,77,73	14,96,44	65,74,17	77·18	22·82
1873 ...	48,74,66	16,50,45	65,25,11	74·69	25·31
1874 ...	50,69,90	17,10,86	67,80,76	74·76	25·24
1875 ...	54,20,44	17,44,13	71,64,57	75·23	24·77
1876 ...	53,84,53	17,82,12	71,66,65	74·70	25·30
1877 ...	54,50,23	18,40,97	72,91,20	74·75	25·25
1878 ...	56,75,21	20,10,84	76,86,05	73·83	26·17
1879 ...	60,60,94	20,50,75	81,11,69	74·71	25·29
1880 ...	62,58,86	18,59,34	81,18,20	77·10	22·90

* The only exception was 50*l.* subscribed at Bombay.

252. The following is a statement of the Registered Debt of the Government of India on the 1st March 1881 including the remaining East Indian Railway Debentures as follows:—

Debenture stock 4½ per cent.	1,500,000*l.*
Debentures at 4 per cent.	1,920,000*l.*
	3,450,000*l.*

(Sterling and Rupees combined on the assumption that £ 1 = Rupees 10.—(000 omitted in Rupee and Total columns.)

Rate of Interest.	Capital Amount Outstanding.				A year's interest thereon.	
	Sterling.	Rupees.	Silver convertible at the option of the creditors into sterling at a rate equivalent to £1-10½ (exactly £1-10·536)=Rupee 1.	Total.	Sterling.	Rupees.
	£					
5	...	60,03	...	60,03	...	3,00
4½	1,500,000	23,69,16	...	25,19,16	67,500	1,06,61
4	66,958,200	60,27,20	...	1,27,23,02	2,678,300	2,41,09
4	...	...	1,22,78	1,22,78	44,700	64
7 shillings	...	2,41	...	2,41	...	10
3½	2,500,000	6,08	...	2,56,08	87,500	21
Nil	28,200	7,90	...	10,72	...	...
	70,986,400	84,72,78	1,22,78	1,56,94,20	2,878,000	3,51,65

If the Sterling amounts be converted into Rupees at 1*s.* 8*d.*, the whole debt is as follows:—

	Capital.			Interest.	
	£		Rs.	£	Rs.
Sterling...	70,986,000				
Transfer Loan Rs. 1,22,78,000 @ 1*s.* 10½*d.*	1,151,000	72,137,000=@1*s.* 8*d.*	86,56,50,000	2,878,000=@1*s.* 8*d.*	3,45,36,000
In Rupees	...	70,607,000	84,72,78,000	29,30,000	3,51,65,000

and the average rate of interest is 4·07 per cent.

These figures include the 9,576,614*l.* on account of the East Indian Railway mentioned in para. 112. The balance (27,623,386*l.*) of the purchase-money (37,200,000*l.*) is in course of discharge by a Terminable Annuity of 1,243,052*l.*, being at the rate of 4*l.* 10*s.* a year, of which for interest 4*l.* 6*s.*, and for repayment of capital 4*s.* The capital sum of 55,800*l.* had been thus repaid by the 31st March 1881, leaving 27,567,586*l.* in course of discharge, interest on which sum at 4*l.* 6*s.* a year is 1,185,406*l.*

The capital of the remaining Guaranteed Companies is now estimated at 68,282,516*l.*, the interest on which (3,304,500*l.*) is paid from Indian Revenues in sterling in London.

If these items be added to the Public Debt the totals are as follows:—

	Capital.		Interest.	
	£	Rs.	£	Rs.
Public Debt	142,744,000	1,71,29,28,000	5,808,000	6,97,00,000
Guaranteed Capital	68,282,000	81,93,90,000	3,304,000	3,96,54,000
East Indian Railway Capital in course of discharge by Annuity ...	27,568,000	33,08,11,000	1,186,000	1,42,25,000
	238,594,000	2,86,31,29,000	10,298,000	12,35,79,000

making the average rate of interest 4·31 per cent.

253. The table in para. 252 includes the following Local Debenture Loans:—

	Capital. £
Nagpur-Ráipur Railway	43,450
Gházipur-Dildárnagar Railway	50,100
Mathurá-Hatrás ,, ...	32,400
Cawnpore-Fatehgarh ,, ...	45,100
	171,000

254. *2. Interest, Other Accounts.*—Expenditure more 7,000*l.* to pay for interest on the temporary deposits made in Savings Banks in response to the concessions of December 1879, which have since been withdrawn. (*See para.* 183.)

255. *3. Refunds.*—Less 84,000*l.* The refunds of 1880-81 were exaggerated by a special write-back of 99,500*l.*, as explained in para. 184.

256. *4. Land Revenue.*—More 49,000*l.* There is an increase in the Village Service Establishments in Madras corresponding with the increase under *VI, Provincial Rates.* (*See para.* 237.) The remaining increase is in the Provincial Estimates and may, perhaps, not be, ultimately, wanted.

Budget Estimates, 1881-82.

EXPENDITURE.

257. *15 & XIII. Post Office.*—Expenditure less 78,000*l.* Revenue less 62,000*l.* Net better 16,000*l.* The extra-postal operations of the Department (Bullock Train, Military Van Bak, and Mail Carts) are being discontinued as the Railways extend.

258. *16 & XXIV. Telegraphs.*—Revenue less 44,000*l.* Expenditure more 64,000*l.* Tots worse 108,000*l.* The cessation of the War suggests the probability of diminished revenues, while the matériel of the Department must be replenished.

259. *17. Administration.*—Less 24,000*l.* The expenditure in 1880-81 was abnormally large. (*See para.* 188.)

260. *18 & XV. Minor Departments.*—Expenditure more 50,000*l.* Revenue more 17,000*l.* Net worse 33,000*l.* The expenditure on the Census in 1881-82 is expected to exceed the net expenditure in 1880-81 by 27,000*l.* The total cost of the Census, in 1880-81 and 1881-82, is estimated at 118,730*l.*, namely:—

	£
1880-81	50,700
1881-82	73,030
	123,730

Provision is made for the new office of Curator of Ancient Monuments. The receipts for cinchona are expected to increase.

261. *19 & XVI. Law and Justice.*—Expenditure more 131,000*l.* Revenue less 1,000*l.* Net worse 132,000*l.* The Government of Bengal is increasing its establishments; but, as with the grant under *4, Land Revenue* (*see para.* 256), it is not unlikely that the whole grant under this head will not be required. In this case, the Provincial Deficit will be so much the less.

262. *20 & XVII. Police.*—Expenditure more 56,000*l.* Revenue less 1,000*l.* Worse 57,000*l.* Bengal and the North-Western Provinces are slightly enlarging their establishments; but the chief increase is for the Village Police in Burma, the reform of which has long been urgently needed.

263. *21 & XVIII. Marine.*—Expenditure more 197,000*l.* Revenue, no change. A troop-ship costing 129,000*l.* is being built for the Indian Marine; and some small steamers costing 20,000*l.* are being provided from Provincial Resources in Burma.

264. *22 & XIX. Education.*—Expenditure more 69,000*l.* Revenue less 9,000*l.* Worse 78,000*l.* The Local Governments are increasing their educational expenditure.

265. *23. Ecclesiastical.*—No change.

266. *24 & XX. Medical.*—Expenditure more 28,000*l.* Revenue less 2,000*l.* Worse 30,000*l.* Further effect of the transfer of establishments from the Military to the Civil Department. (*See para.* 195.) The two grants together show a small saving of 8,400*l.*

267. *25 & XXI. Stationery and Printing.*—Expenditure more 19,000*l.* Revenue less 1,000*l.* Worse 20,000*l.* The estimates of expenditure may, perhaps, prove rather too large.

268. *26. Political.*—More 56,000*l.* 100,000*l.* provided for payment to His Highness the Amír of Afghánistán, and 10,000*l.* added for the Mysore Establishments, which will, now, be a charge upon British Indian Revenues.

269. *27. Allowances and Assignments.*—More 31,000*l.* 44,000*l.* to be paid to the Maháráját Dhulíp Singh, repayable at his death. Larger allowances made for salt compensations.

270. *28. Civil Furlough Allowances.*—Increase 11,000*l.* No remarks.

271. *29 & XXIII. Superannuations.*—Expenditure less 97,000*l.* Revenue less 8,000*l.* Net better 89,000*l.* The drain for the reduction in 1879 of Public Works Establishments, is now ceasing.

272. *31. Famine Relief.*—Expenditure more 1,453,000*l.* 1,500,000*l.* provided for Famine Insurance, as explained in para. 56.

273. *33 & XXVI. Irrigation & Navigation*, and *34 & XXVII. Other Public Works.*—Expenditure more 690,000*l.* Revenue more 51,000*l.* Net Expenditure more 639,000*l.* Of the excess expenditure, 667,000*l.* is from Provincial and Local Funds, as explained in para. 247.

Profit and Loss Account, Productive Works.—Expenditure less 21,000*l.* Revenue more 67,000*l.* Better 88,000*l.* The saving of expenditure is chiefly in the guaranteed interest to the Madras Irrigation Company, in respect of which there is a corresponding increase under the head of *1, Interest.* The increase of revenue is owing to the progress of the canals, and to the recent drought in the North-Western Provinces.

274. *36 & XXIX. Army.*—Expenditure more 46,000*l.* Revenue less 136,000*l.* The exceptional receipts in 1880-81 at Home (*see para.* 203) account for the decrease of revenue.

275. *37 & XXX. Exchange.*—Expenditure more 380,000*l.* Revenue less 130,000*l.* Net worse 510,000*l.*

Provision is made for the remittance of 17,200,000*l.* to the Home Treasury at 1*s.* 8*d.*: thus—

17,200,000*l.* @ 1*s.* 8*d.* = Rs. 20,64,00,000—Loss	3,440,000
Loss on other items	35,000
Total ...	3,475,000

The decreased Gain is on the East Indian Railway Capital Transactions. Budget Estimates, 1881-82,

The rate of exchange for the adjustment of the public accounts between Great Britain and India during 1881-82 has been fixed at the same rate as in 1880-81, namely, Re. 1 = 1*s.* 8*d.*

276. *38. Productive Public Works Capital Expenditure.*—General Expenditure less 208,000*l.* Expenditure on East Indian Railway more 228,000*l.* Purchase of Madras Irrigation Company's Works 1,405,000*l.*

The system of a fixed grant of 2,500,000*l.* a year for the construction of Productive Public Works other than the East Indian Railway came into operation from 1880-81. Its conditions are described in para. 178 of the Financial Statement for 1880-81.

Under those conditions 5,424,100*l.* is available for the two years as follows:—

	£	£
Fixed grants for two years ...	...	5,000,000
Saving in 1879-80, State Railways ...	225,500	...
Ditto, Irrigation ...	198,600	424,100
		5,424,100

This sum is thus disposed of in the present Estimates:—

	Railways.	Irrigation.	Madras Harbour.	Total.
	£	£	£	£
1880-81	2,045,300	700,600	70,000	2,815,900
1881-82	1,780,200	758,000	70,000	2,608,200
	3,825,500	1,458,600	140,000	5,424,100

Full particulars of the works upon which these grants will be spent are contained in Tables V and VI.

The heavy expenditure during these two years on the East Indian Railway is for the Hooghly Bridge, for doubling the line between Buxár and Moghalsarái, and for an eighth sleeper under each rail.

WAYS AND MEANS, 1881-82.

Ways and Means, 1881-82.

277. In the following Statement the Budget Estimates of Receipts and Disbursements, other than Revenue and Expenditure, in 1881-82, are compared with the Regular Estimates of 1880-81:—

	1879-80, Accounts.	1880-81, Regular Estimates.	1881-82, Budget Estimates.	Budget Estimates, 1881-82, compared with Regular Estimates, 1880-81. Better.	Worse.
	£	£	£	£	£
Receipts	113,454,121	93,384,000	76,262,000	...	17,122,000
Disbursements	107,516,919	82,457,001	76,764,000	5,693,001	
	5,937,202	10,926,999	—502,000		11,428,999

278. The following compendium shows the differences between the two years under each head:—

	Regular Estimates, 1880-81.	Budget Estimates, 1881-82.	Budget Estimates, 1881-82, compared with Regular Estimates, 1880-81. Better.	Worse.
	£	£	£	£
II & 2.—Public Debt incurred	3,587,000	2,522,000	...	1,065,000
III & 3.—Service Funds, &c.	204,000	213,000	9,000	
IV & 4.—Savings Banks Deposits	1,075,000	—377,000	...	1,452,000
V & 5.—Political and other Excluded Funds ...	—189,000	—40,000	149,000	
VI & 6.—Provincial and Local Surpluses and Deficits	90,000	—707,000	...	797,000
VII & 7.—Deposits	5,045,000	—2,549,000	...	7,594,000
VIII & 8.—Loans to Native States, &c. ...	44,000	102,000	58,000	
IX & 9.—Guaranteed Capital	—302,000	—516,000	...	214,000
X & 10.—Money Orders	108,000	...	...	108,000
XI & XIII & 11 & 13.—Remittances ...	1,375,999	850,000	...	525,999
XII & 12.—London Bills	—111,000	...	111,000	
Total ...	10,926,999	—502,000		11,428,999
Deficit of Imperial Revenue ...	9,717,000	4,018,000		5,699,000
Balance increased or in decreased ...	1,209,999	—4,520,000		5,729,999
	10,926,999	—502,000		11,428,999

279. Including the Capital Expenditure on the East Indian Railway, and the purchase of the Madras Irrigation Company's Works, the public expenditure exceeds the public revenue by 4,018,000*l.* If this deficit be added to the

Ways and Means, 1881-82.

deficit (502,000*l.*) of other resources, there is a gross deficiency of 4,520,000*l.*, which appears, upon the Estimates, as taken from the public balances. The Opium revenue is, however, intentionally under-estimated by about 1,500,000*l.*, and 750,000*l.*, provided for the repayment of the debt, is reckoned as part of the expenditure. In other respects also the Estimates are believed to be cautious, so that the closing balances in India, on the 31st March 1882, are likely to be at least 2,000,000*l.* or 2,500,000*l.* better than the 10,000,000*l.* shown upon the Estimates.

The following remarks are offered upon details :—

280. *II & 2. Public Debt Incurred.*—Incurred in India 2,969,200*l.* Discharged in England 447,200*l.* Net incurred 2,522,000*l.* From this net sum must be deducted 1,405,000*l.*, which is to be paid for the Madras Irrigation Company's Works (*Capital 1,000,000l. Guaranteed Interest 5 per cent.*); so that there will be practically a considerable reduction of sterling debt, during the year. The Indian debt is explained by the contemplated Rupee Loan of 3,000,000*l.* The English repayments are in application of the English War contribution and in completion of the conversion operations begun in 1880-81.

281. *III & 3. Service Funds* and Deposits increased 213,000*l.* More 9,000*l.* No remarks.

282. *IV & 4. Savings Banks Deposits.*—Withdrawals 377,000*l.* Worse 1,452,000*l.* In 1880-81 large deposits were attracted by the concessions made in December 1879. The withdrawal of those concessions is expected to cause a considerable reduction of these Deposits in 1881-82.

283. *V & 5. Political, and other Excluded Funds.*—Net withdrawal 40,000*l.* Improvement 149,000*l.* A large special payment made in 1880-81. (*See para.* 212.)

284. *VI & 6. Provincial and Local Surplus and Deficit.*—Deficit 707,000*l.* Worse 797,000*l.* As explained in para. 247, the Local Governments are expending their balances.

285. *VII & 7. Deposits & Advances.*—Advances 2,549,000*l.*, Advances in India 49,000*l.* and in England 2,500,000*l.*, of which 2,000,000*l.* the portion of the English contribution for the War credited as Revenue in advance of its actual payment by the British Treasury and 500,000*l.* is in correspondence with the receipt in 1880-81 explained in para. 214. The great decrease under this head is nominal. The transactions of 1880-81 were altogether abnormal.

286. *X & 10. Money Orders.*—Blank. Less 108,000*l.* Estimated in equilibrium as usual; but the gross transactions are expanding.

287. *X, XI & XIII & 10, 11 & 13. Remittances.*—Receipts in India 2,633,300*l.* Payments in England 1,783,300*l.* Net receipts 850,000. Less 525,999*l.* The transactions of 1880-81 were abnormal.

288. *XII & 12. London Bills.*—Blank. Better 111,000*l.* These Estimates are always made in equilibrium.

299. *Balances.*—Decrease in India 2,800,600*l.*, and in England 1,719,400*l.* The actual decrease in India is not likely to exceed 500,000*l.* (*See para.* 279.)

300. The outturn upon the Accounts and Estimates of the four years 1878-79 to 1881-82, affected by the War, is as follows :—

1878-79, Surplus		2,044,391
1879-80, Deficit		1,182,949
1880-81, Deficit } Estimates		6,269,000
1881-82, Surplus } Estimates		855,000
To this last Estimate may be added—		
Opium under-estimated		1,500,000
Surplus included as Expenditure under Grant 31		750,000
Net Deficit of the four years		2,302,558*l.*

301. It thus appears that while, apart from the English contribution, 17,531,800*l.* (net) has been spent upon the War during these four years, the net excess of expenditure of all kinds other than Capital Expenditure on Productive Public Works, over the revenue received during these four years, has been only 2,302,558*l.*

302. Including 9,730,862*l.* recorded as part of the cost of the East Indian Railway, the whole Capital Expenditure on Productive Public Works during these four years has been—

	£
In England...	13,361,800
In India ...	12,436,300

or, if the sterling expenditure be converted into rupees @ 1*s.* 8*d.*, 28,470,400*l.*

303. The additions to the Registered Debt during the same period have been as follows:—

	£
Sterling	11,233,300
Rupees	13,911,000

or, if the sterling be converted into rupees, as before, @ 1*s.* 8*d.*, 27,390,900*l.*, being less, by 1,079,500*l.*, than the Capital Expenditure on Productive Public Works.

304. Upon the Accounts and Estimates as they stand, the Deficit of the four years, including the Capital Expenditure on Productive Public Works, is 28,100,658*l.*, and the amount borrowed only 25,144,300*l.* The difference has been provided by a reduction of the Balances 1,335,000*l.*,* and by increases to the Savings Bank Deposits 1,079,200*l.*, and to the Provincial Balances 711,700*l.* The remaining variations of the Debt Heads, balance one another.

		£
Upon the face of the Accounts and Estimates ...		3,585,000
Deduct Opium under-estimated	1,500,000	
Surplus included under Grant 31 ...	750,000	2,250,000
		1,335,000

* Thus calculated:

25th March 1881.

E. BARING.

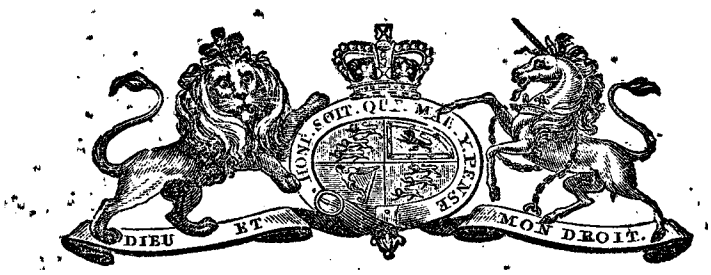
GOVERNMENT OF INDIA.

DEPARTMENT OF FINANCE AND COMMERCE.

FINANCIAL STATEMENT

FOR

1882-83.



CALCUTTA:

OFFICE OF THE SUPERINTENDENT OF GOVERNMENT PRINTING.

1882.

FINANCIAL STATEMENT FOR 1882-83.

SPEECH IN THE LEGISLATIVE COUNCIL OF HIS EXCELLENCY THE GOVERNOR-GENERAL OF INDIA, BY MAJOR THE HON'BLE E. BARING.

I.—Preliminary.

Preliminary.

MY LORD,—I wish to preface the Statement I am about to make by explaining that the figures are throughout given in pounds, rupees being converted into pounds at the conventional rate of £1 = Rs. 10. There are some obvious inconveniences in the adoption of this system, but the alternative procedure of giving the figures in rupees would render a comparison with the Accounts of former years difficult, unless the whole of those Accounts were recast. For the present the continuance of the existing system, which has been in force since the year 1859, is, on the whole, desirable. In those cases where the pounds are true sterling the fact is expressly mentioned. Wherever the true sterling, as well as the conventional sterling figure, is given, the conversion has been made at the rate of 1*s.* 8*d.* the rupee.

The explanations are throughout given on the figures as arranged in Appendix II, in which the Revenue derived from Productive Public Works is shown separately from other heads of Revenue, and the "Working Expenses and Interest" on Productive Public Works are shown separately from other Expenditure.

Change in the form of Accounts.

2. I have one further preliminary observation to make in explanation of a change in the form in which the Accounts and Estimates are presented. Exception has been taken to the system, heretofore adopted, under which the amounts by which any of the Provincial Governments exceeded their Revenue and, consequently, drew on their balances, were credited as Revenue of the Imperial Government under the head of *Provincial and Local Deficits*. For the future, the head of *Provincial and Local Deficits*, as well as that of *Provincial and Local Surpluses*, will appear on the debit side of the account immediately below the total of "Ordinary Expenditure." The excess expenditure taken against accumulated balances, and the short expenditure resulting in a further accumulation, will be respectively deducted from, and added to, the "Ordinary Expenditure" against Imperial Revenues. This system has been carried out in the Accounts of the year 1880-81, and in the Estimates for 1881-82 and 1882-83. The effect will be that both the Revenue and Expenditure will be reduced by the sum now included in Revenue as *Provincial and Local Deficits*, but the surplus or deficit of the year will be exactly the same as under the former method.

II.—Accounts of 1880-81.

Accounts of 1880-81.

3. The Regular Estimate for 1880-81 was as follows[1]:—

	£
Revenue	70,672,000
Expenditure	76,891,000
Deficit ...	6,219,000

[1] These figures do not correspond with those given in para. 33 of the Financial Statement for 1881-82. The differences are (1) £112,000 deducted from both sides owing to the alteration, explained above (para. 2), which has been made in the method of showing the Provincial adjustments; (2) £16,000 added to Revenue, and £34,000 deducted from Expenditure at the Home Treasury, being alterations made by the Secretary of State owing to the fuller information available between the time when the Regular Estimate is published in India, and the date when it is presented to Parliament.

The Accounts show the following result :—

	£
Revenue	72,560,000
Expenditure	76,604,000
Deficit ...	4,044,000

Result inclusive of War Expenditure.

4. The Revenue, therefore, exceeded the Regular Estimate by £1,888,000. The Expenditure was less than the Regular Estimate by £287,000. The net result was better than the Regular Estimate by £2,175,000.

Result exclusive of War Expenditure.

5. If we exclude from the Revenue side of the Account the Ordinary War Receipts and the English War contribution, which together amount to £3,298,000, and from the Expenditure side of the Account the War Expenditure, which, including Frontier Railways, amounts to £13,662,000, the figures would stand as follows :—

	£
Revenue	69,262,000
Expenditure	62,942,000
Surplus ...	6,320,000

Reference to Comptroller General's Report for details.

6. The Comptroller General's Report, which was published in the *Gazette of India* of the 4th instant, gives detailed explanations in respect to the differences between the Accounts on the one hand, and the Budget and Regular Estimates on the other hand. It is only necessary that I should here allude to the more important of those differences.

Re-distribution of English War contribution.

7. In making the last Financial Statement* I explained that, of the £5,000,000 sterling War contribution paid by the English Treasury, it was proposed to bring £2,000,000 to account in 1880-81 and £3,000,000 in 1881-82. It was at the time impossible to frame any accurate estimate of the net War Expenditure for 1881-82. But including a sum of £790,000 for Frontier Railways, £3,000,000 was taken as a very rough estimate of that expenditure on the assumption that the evacuation of Southern Afghanistan would be complete by the end of May.

* See paras. 15, 19, 70, and 71 of Financial Statement for 1880-81.

8. I explained at the time that the distribution of the £5,000,000 would be re-adjusted before the Accounts of 1880-81 were closed, so as to show, as far as possible, in the Accounts of 1881-82 an amount equal to the Expenditure in that year on the War and on Frontier Railways, and that it was intended to credit any balance that might remain over in the Accounts of 1880-81.

9. The form which the English contribution took was as follows. The debt of £2,000,000 sterling due from India to England was written off, and it was arranged that an annuity of £500,000 sterling should be paid to the Home Treasury of the Government of India for six years. The cash transactions connected with this operation will not, therefore, be complete until 1885-86. But it was deemed advisable to bring the whole contribution to account at once in order that the Accounts of future years should present the normal Revenue and Expenditure, and should not be deranged by a large casual receipt unconnected with the transactions of the year. The operation was convenient and unobjectionable. It was, therefore, with the sanction of the Secretary of State, adopted.†

† The nature of this operation is described in greater detail in the Comptroller General's Report (see *Gazette of India*, March 4th, 1882, page 121).

10. In September last it became necessary, with a view to closing the Accounts of the year 1880-81, to re-examine the distribution of the £5,000,000. The best estimate which could then be framed of the War Expenditure for the current year (1881-82), including Frontier Railways, was £2,305,000. The difference between this sum and £3,000,000, *viz.*, £695,000, was, therefore, deducted from the receipts of 1881-82 and credited to the Accounts of 1880-81 under the *Army* sub-head of *English contribution for the Afghan War.*

11. In the Regular Estimate for 1881-82 the Capital Expenditure to be incurred on the Punjab Northern State Railway was entered as Ordinary Expenditure under *32. Railways.* In the course of the year instructions were received from the Secretary of State to transfer this expenditure to *37. Productive Public Works.* The result of this operation is that the deficit of the year is diminished by £601,000. *Transfer of Expenditure on the Punjab Northern State Railway to Productive Public Works.*

12. As a consequence of the arrangement made in November 1880 between the Secretary of State and His Highness the Nawab Nazim, the affairs of the Nizamat Stipend Fund were wound up during the year. The result was that a sum of £294,000, of which no account was taken in framing the Regular Estimate, was credited to the Government under the head of *XXIV. Miscellaneous.* The details of this transaction are more fully explained in the Comptroller General's Report. (See *Gazette of India* of March 4th, 1882, page 103.) *Winding up of the Nizamat Stipend Fund.*

13. The collection of the *Land Revenue* was retarded by the census operations to a less extent than was anticipated last March. The receipts under this head were £157,000 better than the Regular Estimate. *1 and 4 Land Revenue.*

14. These four figures, *viz.*, the excess receipt of £695,000 on account of *English contribution for the Afghan War*, the transfer of £601,000 from *32. Railways* to *37. Productive Public Works*, the extraordinary receipt of £294,000 under *XXIV. Miscellaneous*, and the improvement of £157,000 in the receipts from *Land Revenue*, account for £1,747,000 out of the sum of £2,175,000 by which the net result of the year, as shown in the Accounts, is better than the anticipations formed at the time the Regular Estimate was framed. For further explanations in respect to differences on either side of the Account I must refer to the report of the Comptroller General. *Summary.*

III.—Reforms in the system of Accounts, &c.

15. In my last Financial Statement (paras. 21—31) I mentioned that it was proposed to make various changes in the system of Accounts and other cognate matters. I can now state what has been done. Reforms in the System of Accounts, &c.

16. It was decided last year that in the Finance Accounts the issues from the Civil Treasuries for carrying on Military services should be treated as Expenditure, in accordance with the practice as regards Exchequer issues in England. This has been done in the Accounts for the year 1880-81 and will always be done in subsequent years. *Finance Accounts to be based on issues.*

17. The importance of obtaining early information in respect to the progress of the Revenue and Expenditure of the country was brought prominently to notice in connection with the failure of the War Estimates. I mentioned in the last Financial Statement (para. 25) that we proposed that every officer in charge of a Treasury should, for the future, furnish to the Accountant General of his province an abstract account at the close of each month, giving his receipts and outgoings for the past month under five main heads of Revenue and Expenditure. This system has been carried out and has proved very successful. It has generally been possible for the Comptroller General to make up the complete abstract account for all India by the tenth day after the close of the month. The figures thus obtained are, of course, not absolutely accurate, inasmuch as many adjustments have subsequently to be made; but they are sufficiently accurate to enable a very fair idea to be formed of the progress of the Revenue and Expenditure. These monthly abstracts are now published in the *Gazette of India.* *Publication of monthly abstract accounts.*

18. It has been decided that the Military Accountant General should occupy the position, and exercise the authority, of a Deputy Secretary of Finance in the Military Department. His precise position and functions were defined in a Government Resolution of July 22nd, 1881. (See *Gazette of India* of July 22nd, 1881.) *Creation of a Deputy Secretary of Finance in the Military Department.*

19. I stated last year that in future the Comptroller General would submit to the Government of India annually a report, in which the Accounts of the year would be compared with the Estimates of that year, and explanations given of the causes of increase and decrease. The Comptroller General has accordingly made his report on the Accounts of the year 1880-81, and it has *Report of the Comptroller General on the Accounts of the year.*

been published for general information. (See *Gazette of India* of March 4th, 1882.)

Establishment of an independent Appropriation Audit.

20. The expediency of establishing in India an independent Appropriation Audit to supplement the present Departmental Audit has been under the consideration of the Government. We are in communication with the Secretary of State upon this subject, but I am not as yet in a position to announce what the final decision of Government will be.

Changes in Treasury administration.

21. The question of the administration of district Treasuries has been under the consideration of the Government. Numerous fraudulent transactions have taken place within the last few years in almost every Province of India. The measures which have been taken to improve the system of Treasury administration were set forth in a recent Government Resolution (see *Gazette of India* of January 21st, 1882). The question of the inspection of Treasuries is still under consideration. The present system is not altogether satisfactory, and we hope shortly to be able to adopt measures with a view to its improvement.

IV.—Improvement in the position of the Subordinate Executive Services.

Subordinate Executive Services.

22. Before proceeding to compare the Budget and Regular Estimates for the current year it will be convenient that I should give some explanations in respect to certain subjects which have recently occupied the attention of Government. These explanations are, in fact, necessary to the true comprehension of the figures as set forth in the Regular Estimates. The first subject to which I have to allude is the pay and position of the Subordinate Executive Services of Government.

Importance of Deputy Collectors.

23. Both from the political and administrative point of view the class of Deputy Collectors is one of very great importance. A large proportion of the sub-divisional charges of British India is in their hands. The sub-divisional officer is the man upon whom, in quiet times, the Government has to rely for efficient and equitable administration, and, in time of famine or disturbance, for energy, resource, and fortitude. Whether recruited from among the Tahsildar and Sub-Deputy class, or directly from without, they ought to be the cream of that portion of the Native community who are willing to embrace an official career. To fulfil this requirement they ought to receive sufficient pay throughout their career.

Importance of Tahsildars, &c.

24. The Tahsildars, Mamlatdars, Sub-Deputies, and other similar officers, however designated, are also a class entrusted with very considerable powers, revenue, magisterial, civil, or all combined, as the case may be. A large proportion of the disputes which arise between man and man in ordinary life are decided by them, and go no further. In Western and Southern India, a superior Mamlatdar usually has the powers of a 2nd class, and sometimes those of a 1st class Magistrate, and occasionally is responsible for as much as six lakhs of rupees of revenue. As a class, they are highly efficient and laborious.

Number and pay of Deputy Collectors, Tahsildars, &c.

25. There are at present 631 Deputy Collectors and Extra Assistant Commissioners, and 893 Tahsildars, Mamlatdars, Sub-Deputies, Mukhtyarkars, Myokes, &c., in all India. The former receive salaries varying from Rs. 150 to Rs. 800 a month. The salaries of the latter vary from Rs. 50 to Rs. 250 a month.

Defects of present system.

26. A study of the details of the subject leads to the following conclusions; (1) that there are great differences in the rates of pay given in different provinces: (2) that in some provinces extremely low remuneration is given for duties of a highly responsible character; and (3) that there is a want of uniformity in the proportions of officers in the several grades, and consequently great irregularity in promotion.

Necessity of equalisation.

27. It would appear that, though an absolutely uniform scale of pay for all India is not indispensable, there is room for a considerable measure of equalisation. On the other hand, a uniform percentage proportion between grades, whatever they may be in any locality, is required, in order to secure due promotion during the period of service for pension, which is, under the Pension Code, the same everywhere.

Minimum pay of Deputy Collectors.

28. The Government of India is of opinion that, as a broad rule, no officer holding the power and responsibility of a Deputy Collector should receive less than Rs. 300 a month. It may be that in some parts of India Rs. 250 is really equivalent to Rs. 300 elsewhere. But below Rs. 250 it seems undesirable to go, and this rate, even when retained, should be reserved for probationers, or for a grade which would in ordinary course of promotion be passed through in not more than three years.

Maximum pay of Deputy Collectors.

29. The minimum pay being thus settled, the next question is that of a suitable maximum. Rs. 800 a month appears to be by no means too high a maximum for general adoption. If in any provinces there be financial or other difficulties in the way of granting so much,[1] then the limit should at any rate not be below Rs. 600.

Maximum and Minimum pay of Tahsildars, &c.

30. Turning to the question of the Tahsildars, Mamlatdars, &c., the Government is of opinion that Rs. 150 a month should be the minimum pay for this class. There may be instances where local peculiarities in the charge render Rs. 100 a month sufficient, but this should be admitted with caution; and salaries of Rs. 70—or, as in Sind, of Rs. 50—should be unhesitatingly raised wherever attached to posts belonging *bonâ fide* to the class under consideration. The maximum, on the other hand, should be Rs. 250 a month, which has already prevailed for many years in Western and Southern India, and which will be unexceptionable in any Province where the minimum for Deputy Collectors is fixed at Rs. 300 a month. Where the minimum for the latter is Rs. 250 only, the maximum for Tahsildars, &c., might, as a general rule, remain at Rs. 200 (as it mostly now is); but a limited number of posts on Rs. 250 should be constituted, to serve as prizes for the numerous officers who, though highly meritorious, cannot be promoted to Deputy Collectorships, owing to imperfect knowledge of English, or other causes. The grades admissible under any circumstances might, therefore, be Rs. 250, 200, 175, 150, and, in some exceptional cases, 100.

Proportion of Grades.

31. I will not lengthen this Statement by entering into the question of the proportion of grades at which the establishments should be fixed. I will only observe that this important subject has, in communication with the several Local Governments, received very careful attention.

Cost of proposed reforms.

32. It is obvious that these changes cannot be carried out without some additional expenditure. But such expenditure is inevitable under the progressing civilisation and circumstances of India, and is, in fact, now actually being incurred. The Local Governments have been availing themselves freely of their resources under the Provincial system of finance, and their power to create new offices not exceeding Rs. 250 a month in value. Where these are insufficient, they come up to the Government of India. Large proposals from Assam, Burma, and Sind have been received for separate consideration. The Government of India, however, deems it better to recognise the necessity for general revision, and to meet it by a scheme the most uniform, equitable, and economical that can be devised, than to wait until each Local Government is forced by necessity to adopt or to propose some fragment of reform. The proposed revisions affecting Deputy Collectors and Tahsildars will cost about £50,000 a year. This is in comparison with the cost at the present time. It does not cover any increases to the numerical strength of the existing establishments, which are as yet only proposed and under discussion. Against this increased charge, however, there is a large saving arising from the reduction in the numbers of the Covenanted Service, including Military, &c., in the Commissions, which it appears only fair to take as a set-off. The reduction since 1st July 1874 has been to the extent of 133 officers. The saving owing to this reduction amounts to a total of £79,800 a year, while the additional expenditure on account of Deputy Collectors during the same period does not exceed £25,000 a year, so that, after giving all the increase which is now proposed, the superior administration will still be less costly than it was. As will be presently explained, in revising the Provincial contracts money has been placed at the disposal of the Local Governments which will enable the changes I have describ-

[1] In Burma it would seem that, while high cost of living necessitates a minimum of Rs. 300, it may be desirable to hold the posts in excess of Rs. 600 a month in abeyance for a time until suitable promotion can be made to them from the grade below.

ed to be carried out. In some Provinces it is hoped that the new scheme will come into operation on April 1st, and in all it will very shortly be adopted.

Tahsildars to be allowed to rise to the rank of Deputy Collector.

33. It may be desirable to explain that, while laying down distinct scales of pay and proportion for the Deputy Collector and Tahsildar classes, the Government of India has no intention of drawing any impassable line between the two. The Local Governments will remain, as at present, entirely unfettered in their decision as to whether they will fill vacancies in either class by promotion from among the members of the public service immediately below it, or by nomination, after sufficient probation in a somewhat lower office, of young men of good education or family who have been previously unemployed. It is well known that some of the most distinguished Native officers in high positions have risen from the very lowest grades in the District Staff, and the Government of India desires it to be distinctly understood that this avenue, by which men of ability and judgment may raise themselves from humble beginnings to any post in the Uncovenanted Service, should remain open as at present.

Increased employment of Natives of India in the Public Service.

34. Before leaving this subject I wish to observe that, while the number of European officers employed in the Civil Service has been largely reduced, the business of civil administration shows no diminution, but is likely to increase with the progress of the social, industrial, and commercial needs of the growing population. It is the intention of Her Majesty's Government and of the Government of India that a constantly increasing share of the work of the country shall be performed by Natives of India. Not only will this gradual change add to the ties which already bind educated Natives and the chief Native families to the British Government, but the work will be performed more economically than hitherto. The number of Native gentlemen holding offices of trust and position has increased during the last three years, and will continue to do so under the combined influence of the annual admissions to the Covenanted Civil Service in both England and India, and the rules of 1879 regarding appointments to the Uncovenanted Service. A strict observance of the latter by Local Governments and Administrations is indispensable, and will be enforced by Her Majesty's Secretary of State and by the Government of India. In this way the Government of India has every confidence that the intentions of Her Majesty's Government both at Home and in India will meet with fulfilment, and the reasonable aspirations of the people of India be in due time satisfied.

Proportion of Europeans and Natives now employed.

35. As the question of the degree to which Natives of India are already employed in the work of Government is frequently discussed, and as erroneous statements on the subject are not unfrequently made, it will perhaps be as well that I should state the precise facts as they now stand.

36. An analysis of the services, according to their composition as regards Europeans and Natives, shows that at the present time the working body of 4,082 officers is made up in the manner specified in the margin.[1] It must be remembered, in considering the figures given in this table, that under the recent rules, the Covenanted Service will gradually come to contain one-sixth of Natives appointed in India, in addition to any Natives who may enter by public competition in England. The number of the latter will, it is hoped, increase hereafter, under the combined influence of the breaking down of social and religious obstacles, and of the facilities now offered to Natives for study in England by the Society presided over by Lord Northbrook, and otherwise. On the other hand, the admission of Europeans to the general Uncovenanted Service has been forbidden and they will gradually disappear from its ranks.

Nationality.	Covenanted.	Uncovenanted.	Total.
Europeans ...	861	1,197	2,058
Natives ...	12	2,012	2,024
Total ...	873	3,209	4,082

[1] This table has been constructed with the object of showing all branches of the public service which are directly engaged in the government or administration of the country, but not such as are concerned with its moral and material development, or the rendering of service to the community on payment. Thus, Police, Forests, Political, Jails, and Registration have been included. On the other hand, Public Works, Mints, Telegraphs, Education, Survey, Post Office, and some other miscellaneous offices, have been excluded.

V.—Provincialisation of Finances and development of Local Self-Government.

Provincialisation of Finances and development of Local Self-Government.

37. The next subject to which I have to allude is the Provincialisation of the Finances and the development of Local Self-Government. The attitude of the Government in respect to these important questions has been described in two recent Resolutions, dated respectively September 30th, 1881, and January 17th, 1882 (see *Gazette of India* of September 30th, 1881, and of January 17th, 1882). It is unnecessary that I should, on the present occasion, recapitulate all that is said in those Resolutions. The two subjects with which they deal are separate, though connected. In respect to the first, namely, the Provincialisation of the Finances, the arrangements which are to obtain between the Imperial and Provincial Governments for the next five years, commencing from the 1st April 1882, have now been settled. In respect to the second, namely, the development of Local Self-Government, much yet remains to be done.

(*a*) *Provincialisation of the Finances.*

Provincialisation of Finances.

38. Turning first to the question of the Provincialisation of the Finances, it will be remembered that the principles of the new arrangements differ, in two important particulars, from those which were adopted on the occasion of the last general settlement in 1877.

Principles of new settlement.

39. In the first place, all the new Provincial settlements have now been based upon the principle which was adopted in 1879 in respect to Burma. That principle is that instead of giving Local Governments, as heretofore, a fixed sum of money to make good any excess of provincialised expenditure over provincialised receipts, a certain proportion of the Imperial Revenue of each province is for the future to be devoted to this object. Certain heads, as few in number as possible, are wholly, or with minute local exceptions only, reserved as Imperial. Others are divided in proportions, for the most part equal, between Imperial and Provincial. The rest are wholly, or with minute local exceptions only, made Provincial. The balance of revenues and charges thus made Provincial, being against the Local Governments, will be rectified for each Province by a fixed percentage on its Land Revenue (otherwise reserved as Imperial), excepting in the case of Burma, where the percentage will be extended to the Imperial rice export duty and the Salt Revenue also. The advantage of this system over that which has hitherto generally prevailed is that the Provincial Governments will be given a direct interest, not only in the Provincialised Revenue, but also in the most important item of Imperial Revenue raised within their own Provinces.[1]

40. The general result of these arrangements is that about three-fifths of the Revenue of British India, amounting roughly to £42,000,000, and about one-fourth of the Expenditure, amounting roughly to £19,000,000, will be Provincialised; that is to say, the Provincial Governments will have to a greater or less extent, according to the circumstances of each head, an interest in and responsibility for their administration. To be more explicit, they will receive the whole of the Revenue under heads which produce about £4,000,000, half of the Revenue under heads which produce about £8,000,000, a larger or smaller percentage on heads (chiefly Land Revenue) which produce about £23,000,000, and an almost nominal share in Revenues which produce £7,000,000; while they will administer the expenditure wholly under heads for which the grants amount to about £15,000,000, and to a very small extent under heads for which the grants amount to £4,000,000.

Relations between the Imperial and Provincial Governments in respect to War and Famine.

41. In the second place, the relations of the Imperial and Provincial Governments in respect to war and famine have been defined. Under the existing agreements, a Local Government is not entitled to any assistance from the Imperial Government until the whole of its resources are exhausted. For the future the Local Governments must look for no special aid from the Imperial

[1] I may mention that before leaving India, Sir John Strachey left on record a draft Resolution under which the new contracts with the Provincial Governments were to be regulated on the plan explained in para. 39. The details have, of course, undergone revision, but the principle advocated by Sir John Strachey has been adopted by the present Government. The other main features in the new scheme, *viz.*, (1) the relations between the Imperial and Provincial Governments in time of war and famine, and (2) the project which, for want of a better name, I term the "de-provincialisation" of the finances, have been grafted on to the original plan since Sir John Strachey left India.

Government, except in the case of severe famine, and then only within certain limits, which are defined in the 8th paragraph of the Resolution of September 30th, 1881. Those limits are fixed with reference to the resources of each Province, and not to the amount expended in famine relief. Aid will be afforded at an earlier point than before. On the other hand, the Government of India has declared that it will make no demand on the Provincial Governments except in the case of disaster so abnormal as to exhaust the Imperial reserves and resources, and to necessitate the suspension of the entire machinery of public improvement throughout the empire. A special and permanent annual allotment of £1,500,000 for Famine Relief and Insurance having been made in the Imperial Budget, the Governments of the North-Western Provinces, the Punjab, and the Central Provinces are henceforth relieved from any obligations, which may have been imposed upon them, of setting aside any special Revenues with a view to the relief and prevention of famine in their respective territories. All Local Governments will, indeed, find it necessary to keep in hand a moderate reserve, over and above a mere working balance, of sufficient amount to meet scarcity and distress, not indisputably amounting to severe famine, or other temporary exigencies. But it will no longer be necessary for them to accumulate any great Provincial reserve funds out of which to meet the demands of severe famine. Where any such reserve funds have been accumulated, they will be free to be employed in works of a Productive or a Protective character.

Repayment of War contributions.

42. The satisfactory position of the finances has enabled the Imperial Government to restore to the Provincial Governments the contributions, amounting to £670,000, which were paid by these latter Governments in the years 1879-80 and 1880-81, at a time when, by reason of the Afghan War, the strain on the Imperial finances was severe.

Financial effect of new contracts.

43. It remains for me to explain what will be the financial effect of the new Provincial contracts. I need hardly say that when the contracts, which are about to close, were made, the Government of India reserved to itself the right of revising them on expiry. It is, indeed, obvious that, in view of the manifold demands on the Imperial Treasury, and the necessity for affording relief to Provinces whose means are straitened, the Government of India cannot forego all its claims on the increments of Revenue which arise from the growing wealth and prosperity of the country. We have, however, wished to approach this question in a liberal spirit, and not to make any revision which will be favorable to the Imperial at the expense of the Provincial Revenues, except in cases where this course can be adopted without embarrassing Provincial Finance or checking the growth of the material prosperity of the Province. I shall presently show (para. 64) that the net result to the Imperial Government has been a loss of Revenue.

Bombay.

44. *Bombay.*—The settlement which was made with Bombay in 1877 was less favorable to the Provincial Government than in the case of most of the other Provinces. We do not propose, therefore, that Bombay should be asked to submit to any revision favorable to the Imperial Revenue. The new contract will be based on the Regular Estimate of the current year, and a sum of £4,800 will be added to the Imperial assignment to cover the cost of improving the position of the subordinate Civil Services.

Madras.

45. *Madras.*—The case of Madras differs entirely from that of any other Local Government. The Government of Madras declined to accept the more independent position offered to it in 1877, and is, therefore, still under the old Provincial arrangement of 1870. Under this arrangement the amount of provincialised Revenue and Expenditure was relatively very small. Taking the figures of the Budget Estimate for the current year, the amount of the provincialised Revenue stood at about £197,000, and the amount of provincialised Expenditure at £1,051,800. The balance of about £855,000 was made good by an Imperial allotment. Under the new arrangement, which has been concluded with the Madras Government, the provincialised Revenue will amount to about £2,178,000 and the provincialised Expenditure will, of course, be equivalent. The Government of India has granted to Madras an extra sum of £20,000 a year for Provincial Public Works. The Government of Madras has asked for a further sum of about £100,000 a year for various objects, but as

the submission of detailed proposals, and in some cases the sanction of the Secretary of State, must necessarily precede any actual grant for these objects, it has been decided to leave them outside the new settlement to come into operation on April 1st, 1882, and to grant hereafter, by means of a revision of the percentage of Land Revenue assigned, whatever extra charge may be finally allowed.

Bengal.

46. *Bengal.*—The terms of the Provincial Contract of 1877 were exceptionally favorable to the Government of Bengal. It was at that time thought that a considerable burden would be imposed upon Bengal in order to guarantee to the Imperial Revenue the interest on the capital spent in Bengal on the construction of Canals and Railways. The Government of India, therefore, consented at the time to abstain from claiming any part of the further increase which might be expected to the Provincial Revenues in consequence of the greater attention which it was thought they would receive from the Local Government. At the same time it was added that "while the Government of "India is most desirous that the Local Government should benefit largely by "any increase of Revenue to which improved administration may lead, it is evi- "dently reasonable and necessary that the Imperial Revenues should eventually "share in such increases."

47. The Railway receipts have increased by £150,000 in the last three years and are now more than enough to cover the whole of the expenses, including interest. I need not, however, dwell at length on this subject. It is well known that the financial condition of Bengal, partly owing to the great natural resources of the Province and partly to the able and vigorous administration of the present Lieutenant-Governor, is very flourishing. We are of opinion, therefore, that, without in any way embarrassing Bengal finances, we may withdraw from Bengal some portion of the grant from Imperial Revenues, which it has enjoyed during the last five years, and indeed, that in justice to other Provinces we ought to do so. A careful examination of the figures leads to the conclusion that the grant might fairly be reduced by £300,000 a year. On the other hand, the measures under contemplation for the improvement of the subordinate Civil Services, as well as the cost of creating a new district (Khulna), will throw an extra charge of about £30,000 a year on the Bengal Government. Making due allowance for this increased charge, a sum of £270,000 a year would remain as the amount of revision in favor of the Imperial Government. In order, however, that the Bengal Government should not be in any way embarrassed by an immediate change, and in order that the Provincial Revenue should have time to grow, we propose to grant a remission of £285,000, which will be credited to the Government of Bengal in the Accounts of the current year. This is tantamount to a grant of £57,000 a year for five years, but the Government of Bengal will be able to spread it over the period in any way which it may find will make the revision press most lightly on its finances. The real amount of the revision adverse to Bengal will, therefore, be £213,000 annually.

Punjab.

48. *Punjab.*—The provincialized Revenue of the Punjab has increased during the last five years at only a slightly less rapid rate than in the case of Bengal and the North-Western Provinces. Looking at the rate of increase only, a revision in favor of Imperial funds might fairly be demanded; but the Province has many wants. We do not propose, therefore, to demand anything from the Punjab, but the Provincial Revenues will bear the cost (about £4,000) which will be involved in improving the position of the subordinate Civil Services.

Assam.

49. *Assam.*—Assam is a poor Province with many wants. The new contract has, therefore, been based on the Regular Estimate of the year, and an extra grant of £3,100 will be given from Imperial funds to improve the position of the subordinate Civil Services.

Central Provinces.

50. *Central Provinces.*—The finance of the Central Provinces is in a very flourishing condition. If the new contract were made on the basis of present figures, the Local Government would start with a balance of £146,000 in hand, a surplus of above £12,500, and a normal increment of £15,000 more, independently of gain anticipated from the Railway, which is now under construction and is being fast pushed to completion. According to mere percentages, indeed,

the position of the Central Provinces is even more favorable than that of Bengal. A revision to the extent of £15,000 a year might fairly have been claimed. On the other hand, the Central Provinces are notoriously behind-hand in administrative organisation and material development. The strength of Extra Assistant Commissioners is insufficient for the due performance of Treasury and other duties, and a large proportion of civil litigation is in the hands of Naib Tahsildars drawing only from Rs. 50 to Rs. 70 a month. Further, the system of roads in the Province is very far from complete. For this state of affairs the Local Government is in no way to blame. The establishments were fixed some twenty years ago, since which time trade, population, revenue, and work, have increased till it is impossible for the existing staff to do justice to the duties imposed upon them. The present Chief Commissioner deserves high credit for having recognised that the wants of a poor Province can only be satisfied within the limits of its income. Under the circumstances, however, we should not be justified in curtailing, in however small a degree, the financial means of the Province. We have, therefore, waived any demand for revision in our favor on the understanding that the Chief Commissioner will relieve the smaller Municipalities of Police charges without imposing an equivalent, and will provide out of Provincial Revenues for such increases of establishment as may be necessary, including the cost of improving the position of the Extra Assistant Commissioners and Tahsildars, under the scheme now put forward, which will be about £3,000 a year.

Burma.

51. *Burma.*—The existing contract with Burma was entered into at the commencement of the year 1878-79, and was intended to last for five years. It would consequently run until the end of 1882-83 but for the consent, which the Chief Commissioner has given, to its being superseded by another on the new general terms.

52. The case of Burma is somewhat special, and I will not lengthen this Statement by entering into the details, which are complicated. It will be sufficient for me to say that we propose to place Burma in such a position as that the Provincial Government will earn an increase during the next five years proportionately equal to that which Bengal has obtained during the agreement now expiring. That agreement, I need hardly say, has operated most favorably to the Provincial Government. An extra grant of £10,000 a year will be given to Burma for improving the position of the subordinate Civil Services.

Abolition of duty on timber.

53. On the occasion of the visit recently paid by His Excellency the Viceroy to Burma, it was represented by the merchants interested in the timber trade of Moulmein, that various objections might be urged against the duty of 7 per cent. levied upon timber brought from the Karennee territory down the Salween River. Those objections were held to be valid. The duty has, therefore, been reduced to 1 per cent. The loss of Revenue consequent on this reduction is estimated at £25,000 a year. Half of this loss will eventually be borne by the Provincial, and half by the Imperial Revenues; but it has been arranged that a temporary grant of £10,000 a year for two years shall be made from the Imperial Revenues to Provincial funds, on the understanding that, should it be eventually determined to establish a Chief Court at Rangoon, the cost of the new establishments will devolve upon the Provincial Revenues.

54. In order not to complicate the new contract with special provisos applicable to the first year or two only, a cash grant of £20,000, and also the sum, if any, by which Burma may, by the new contract, be placed in 1882-83 in a worse position than under the old, will be placed to the credit of the Provincial Accounts before the 31st March 1882.

North-Western Provinces and Oudh.

55. *North-Western Provinces and Oudh.*—The case of the North-Western Provinces and Oudh requires to be treated somewhat more fully than that of other provinces.

56. The Revenue of the North-Western Provinces has increased, during the currency of the contract about to expire, at nearly the same rate as that of Bengal. The normal annual increment is about £60,000. The benefit of this increment to the Local Government, however, has not been so great in the North-Western Provinces as in the case of Bengal, owing to the specially favorable settlements which Bengal obtained in 1877. During the last three years the Government of the North-Western Provinces and Oudh has surrendered to the Imperial Government a larger sum (£116,700) than Bengal (£113,200) out of a Revenue 50 per cent. smaller. As regards Expenditure, the Govern-

ment of the North-Western Provinces has pursued a policy wholly different from that of Bengal. Instead of spending freely, it has saved, with the result that it has now a balance of about £858,000 at its credit, which will be increased to £1,063,000 by the repayment of the contribution of £150,000 made to the Imperial Government during the war, and the addition of £55,000 to which I will presently (para. 57) refer.

57. After full consideration of the condition of the Provincial finances we have come to the conclusion that a revision of £150,000 a year in favor of Imperial Funds might fairly be asked. On the other hand, the cost of improving the subordinate Civil Services in the North-Western Provinces will be about £8,300, thus reducing the revision in favor of Imperial funds to £140,000 in round numbers. In order, however, to give the Local Revenue time to grow, and to facilitate the execution of the policy, recently announced, of relieving Municipalities of Police charges, it has been decided to act on the same principle as has been adopted in Bengal, and to grant the Local Government a partial remission during the first year of the contract of the additional sum which will be due to the Imperial Government. A sum of £55,000 will be credited to the Local Government in the Accounts for the current year. This is tantamount to a remission of £11,000 a year for five years. The reduction in Provincial Revenues will, therefore, really be only £129,000 a year.

58. This, however, does not state the whole of the case. A careful examination of the economic condition of the people in the various Provinces of India leads to the conclusion that in the North-Western Provinces and Oudh there are but slight signs of any improvement in the mass of the people during the last decade. The number of people with incomes of not less than Rs. 500 a year derived from trade and assessed to the License Tax in 1880-81 was 1,550 less than the number assessed to the Income Tax in 1870-71 and 1871-72. This would seem to indicate a diminution of the trade-wealth of these Provinces. On the whole, it may be said that nowhere in India is a reduction of taxation more required than in the North-Western Provinces and Oudh. The Government of India is, therefore, of opinion that, so far from reducing, it will be desirable to increase, the Imperial assignment in order to effect some reduction of taxation.

59. The Lieutenant-Governor has been consulted, and he is of opinion that the best course to pursue will be to remit all taxation on account of patwaris and kanungoes in the North-Western Provinces and in Oudh. The amount of the cess levied on this account in the North-Western Provinces is £241,000. The amount of taxation remitted will be considerably in excess of that imposed under Act III of 1878 (£170,000).

60. In Oudh no cess is levied for the purpose of remunerating patwaris. The patwaris are the private servants of the landlords and payable by them. It has been estimated that they cost their employers, or should, if properly paid, cost, some £75,000 per annum. We propose that the Government should find this sum, and take the payment of the patwaris into its own hands, when, as a matter of course, they will become Government servants, as they are in the North-Western Provinces, and will be treated accordingly.

61. The kanungoes in Oudh are paid by Government and cost about £2,900 a year. But the present establishment of State-paid kanungoes is altogether insufficient for purposes of supervision. There are 96 kanungoes to supervise 9,605 patwaris, working in 24,785 villages, *i.e.*, an average of 258 villages and 100 patwaris to each kanungo. There are great diversities in the sizes of the various kanungoes' charges, the maximum number of villages in a charge being 652, the minimum 57; the maximum number of patwaris 222, the minimum 33. In the North-Western Provinces the average number of patwari circles in charge of a kanungo is about 40, and this is generally considered to be too large for efficiency. To be fairly manageable, the average charge should not, in the opinion of the best informed local authorities, be greater than about 30 patwari circles to one kanungo. The cost of providing such an establishment is estimated at £11,600 a year, *i.e.*, £8,700 a year in excess of the sum now defrayed by Government.

62. The cost involved by these measures to the Imperial Government is shown in the following table:—

	£
Remission of Patwari Cess in the North-Western Provinces ...	241,000
Payments of Patwaris in Oudh, now made by landlords ...	75,000
Cost of additional kanungoes in Oudh (in round numbers) ...	10,000
Total ...	326,000
Deduct increase of contribution from Provincial Funds to the Imperial Treasury	129,000
Net cost to Imperial Government	197,000

63. The adoption of this mode of giving a remission of taxation will, the Lieutenant-Governor thinks, "be more likely than any other to affect the "tenants at once, for most tenants pay a special contribution towards patwaris' "wages, either in cash or kind, and when it became known that the patwari "was paid by Government, this contribution would hardly be demanded." We intend to cause the fact of the remission to be made known by proclamation in the vernacular, of which not less than two copies will be sent to every village in the United Provinces. The Bill relating to kanungoes and patwaris, which will to-day be laid before the Council, contains provisions which will prevent any landlord from recovering from a tenant any cess or rate or portion thereof, payable in money or kind, on account of the remuneration of a patwari, which becomes due after the 30th of June next. I should also observe that the new position given to the patwaris in Oudh will materially aid the operations of the Agricultural Department in that province.

General result of new contracts.

64. *General result.*—The general result of the whole of the new contracts is as follows:—

The Imperial Government might resume £470,000 a year. Of this sum, however, it gives back to the Provincial Governments £77,900 for improving the position of the subordinate Civil Services, for general purposes in the Central Provinces, &c., £20,000 to the Madras Government for Provincial Public Works, and £326,000 to the North-West Provinces and Oudh, of which £10,000 is for additional kanungoes in Oudh, and the remainder (£316,000) is in the form of a remission of taxation. In addition to this the Imperial Government remits a lump sum of £360,000, equivalent to £72,000 a year for five years, on account of the first year of the new settlements by means of a transfer to the Provincial Accounts of Bengal (£285,000), Burma (£20,000), and the North-West Provinces (£55,000), to be effected before the close of the current year (1881-82). The total grants and remissions amount to £496,000 a year. The net result, therefore, is a loss to the Imperial Government of £26,000 for five years.

(*b*) *Development of Local Self-Government.*

Development of Local Self-Government.

65. Turning to the question of the development of Local Self-Government, it is to be observed that a great step in advance was made when, in 1870, India was no longer considered as a single unit for the purposes of Financial Administration. The Provincial units, however, are still very large. The Government is, therefore, of opinion that the time has come when a further step may be taken in the direction originally indicated by Lord Mayo in 1870. Boards and Committees for the administration of certain local funds already exist in most parts of India. We now wish to widen the sphere of action hitherto assigned to these bodies. The Provincial Governments have, therefore, been invited to hand over to them such items of Revenue and Expenditure as may appear most suited to give them a real interest in the administration of the resources at their command, and, on the other hand, to take over as a Provincial charge some items of Expenditure, such as Police, over which local bodies cannot exercise any real control. I will not, however, at present discuss this question at length. The Local Governments have been consulted upon the subject, and until their answers are received it will be impossible to decide upon the particular measures which it may be eventually deemed desirable to adopt. I will only say, that

whilst we recognise that the development of local self-government must be gradual, and not of a nature to outstrip the wants of the country and the standard of political education at which the people have arrived, at the same time we are desirous of making a real step in advance in the proposed direction.

66. I may mention, however, that one important step in advance has already been taken by the Lieutenant-Governor of Bengal, who has throughout most cordially co-operated with the Government of India in carrying out the policy now under discussion. It was indicated in the Government of India Resolution of September 30th, 1881, that it would be desirable to relieve Municipalities of Police charges and transfer to them other items of charge, such as Primary Education and Minor Public Works, the cost of which, within the limits of the Municipalities, has up to the present time been borne by Provincial Revenues. The intention was, wherever such a course was possible, merely to effect a transfer, and not either to increase or diminish Provincial or Municipal charges in the aggregate. It has been found difficult, however, more especially in the case of the smaller Municipalities, to carry this policy into effect without either increasing municipal taxation or providing extra grants from Provincial Revenues. It appears that out of a total sum of £140,000 expended by the different Municipalities, &c., in Bengal (exclusive of Calcutta, the Suburbs, and Howrah) in 1880-81, about £44,000 was spent on Police. The Government of Bengal has, therefore, decided that the charges now borne by Government in Municipalities on account of Dispensaries and Hospitals, amounting to something less than £10,000 a year, shall be transferred to those bodies, and that at the same time the Provincial Government should take upon itself the cost of the Police. The practical result of these orders will be to set free a sum of about £35,000 a year, which the Municipalities will be able to spend on conservancy, lighting, drainage, water-supply, and similar public wants. The Lieutenant-Governor has also increased the grant for Primary Education in the ensuing year by £10,000, and has announced that he will be ready to make liberal grants-in-aid to the funds of District Road Committees for the execution of well-considered projects.

Measures already adopted in Bengal,

67. In other parts of India, notably in the North-West Provinces, Assam, and the Central Provinces, the transfer of Police charges from the Municipalities to the Provincial Governments is either in active progress, or will very shortly be taken in hand, and generally it may be said that the policy of the Government of India has been cordially accepted by the Local Governments.

And in other parts of India.

VI.—Regular Estimates for 1881-82.

68. I now proceed to compare the Regular Estimates with the Budget Estimates for the current year.

Regular Estimates, 1881-82.

69. The Budget Estimates were as follows:—

Comparison of Budget and Regular Estimates, 1881-82.

	£
Revenue	70,160,000[1]
Expenditure	69,305,000[1]
Surplus ...	£855,000

The Regular Estimates are as follows:—

	£
Revenue	72,913,000
Expenditure	71,336,000
Surplus ...	£1,577,000

The Revenue is, therefore, now estimated at £2,753,000 and the Expenditure at £2,031,000 in excess of the Budget Estimate. The net result is better than the Budget Estimates by £722,000.

Amount of Surplus.

70. These figures, however, would not, without some explanatory remarks, give a true indication of the financial result of the year, or of the actual financial position. It has occasionally been the practice in making a Finan-

Explanations in respect to Surplus.

[1] These figures are not the same as those given in para. 72 of the Financial Statement for 1881-82. Owing to the alteration made in the form of showing the Provincial adjustments (see *ante*, para. 2), a sum of £821,000 has to be deducted from both sides of the Account. The net result is the same, *viz.*, a surplus of £855,000.

cial Statement, after stating what is the amount of surplus or deficit as shown upon the Accounts or Estimates, to make a calculation purporting to show what is the "real" surplus or deficit,—that is to say, what is the net result after eliminating any Revenue or Expenditure of an abnormal character. Very elaborate calculations of this sort are not of much use. It always happens that in the course of the year some abnormal circumstances arise, which to a greater or less extent influence both the original Estimates and the final net result. Further, if we look at a series of years, the actual surpluses or deficits shown in the Accounts really represent the net financial result of those years. At the same time, it is quite true that, unless allowance be made for any circumstances of very special importance and of a purely extraordinary character, an incorrect idea would be formed of the net result in the particular year of their occurrence. This is particularly true as regards the finance of the year 1881-82. In the first place we have paid back £670,000 to the Local Governments (para. 42), being the amount contributed by those Governments to Imperial Funds during the Afghan War. In the second place, as I have already explained (para. 64), a sum of £360,000 has been credited to the Local Governments in the Accounts of the year in connection with the renewal of the quinquennial contracts. Both of these items have been paid out of surplus, that is to say, neither of these transactions would have been carried out had we not been assured of the possibility of effecting the payments in question without incurring a deficit. If we add together these two items, we arrive at a total of £1,030,000. On the other hand, the amount of English War contribution credited to the Accounts of the year is £2,305,000. This was greater than the amount expended on the war, including Frontier Railways. I shall presently (para. 85) show that, owing to the difficulty of making an accurate separation between Ordinary Military Expenditure and War Expenditure, it is impossible to state precisely the amount by which this sum of £2,305,000 exceeds the real amount of War Expenditure incurred during the year, but I shall not be far from the mark if I state the excess at about £250,000. Deducting £250,000 from £1,030,000, there remains £780,000. If, therefore, the Provincial Governments had not been paid £1,030,000, and if, on the other hand, the receipts had not been swelled by an extraordinary credit of about £250,000, the surplus would have been £2,357,000. Some further corrections of this nature might be made. I have, however, said enough to show that £1,577,000 falls far short of the sum by which the normal Revenue of the year is estimated to exceed the normal Expenditure.

Surplus due to Financial Administration of preceding Governments.

71. The Budget Estimates for the current year were framed on the unquestionably sound principle that, so long as the embarrassment caused by the partial occupation of a foreign territory continued, all large measures of fiscal reform must be postponed. It is now, indeed, two years since any important alterations in the fiscal system have been made, during which time the personnel of the Indian Administration, both in England and in India, has undergone very considerable changes. It follows, therefore, that so far as the flourishing condition of the finances, which the figures I have given above indicate, results from financial administration, the credit is due not to the present Government but to its predecessors.

Explanation of details.

72. I proceed to give some explanations in respect to a few of the more important differences between the Regular and Budget Estimates.

IV and 6. Excise.

73. The net Revenue from *Excise* was originally estimated at £2,932,000.[1] It is now estimated at £3,312,000, being £380,000 in excess of the Budget Estimate. The general principles which guide the Government in respect to the Revenue from Excise are so well known that I need not discuss them at any length. Both from the financial and moral point of view, it is desirable to obtain a maximum of Revenue with a minimum amount of consumption. If the price of liquor is unduly increased, illicit trade at once springs up. If it be unduly diminished, drinking is encouraged. These principles are generally recognised as quite sound. The difficulty in dealing with the subject consists

[1] A Statement (X) has been added to those heretofore published, in which the net figures for 1880-81, 1881-82, and 1882-83 are given. It is thought that this statement may be useful for reference. Under the head of "Budget 1882-83" two columns are given, *viz.*, "preliminary" and "final." The "preliminary" column give the figures as they would stand if no fiscal changes were made. The "final" column give the figures as they stand after allowing for the loss occasioned by the remissions of taxation which, as I shall presently explain, it is proposed to make.

in their proper application. So far as any increase in the Revenue represents the substitution of licit for illicit consumption, it is an unmixed good. So far as it represents facilities for drinking being afforded beyond the ordinary requirements of the population, it is an evil.

Increase in Bengal.

74. There has been an increase of Revenue in every Province of India, but the principal increase has taken place in Bengal. The net Revenue in that Province, which was originally estimated at £803,000, is now estimated at £953,000, an increase of £150,000. There is reason to suppose that in some districts of Bengal an unduly rapid extension of shops under the out-still system has taken place, but the Lieutenant Governor has drawn the attention of local officers to the subject, and in the future it is to be hoped that the number of licenses given will be so regulated as to follow, and not to precede, the demand for liquor.

XIII & 15. Post Office.

75. The net cost to the State of the *Post Office* is now estimated at £43,000 in excess of the original Estimate. The operations of the Post Office afford a good indication of the progress of the country. During the year 1880-81 about 159,000,000 letters, newspapers, parcels, &c., passed through the Post Office, as compared with about 143,000,000 in 1879-80. The system of Post-cards, which was introduced into India on July 1st, 1879, has been much appreciated by the public. In the nine months from July 1st, 1879, to March 31st, 1880, 7,472,000 of these cards were used. In 1880-81 the number rose to 14,865,000. The number of Money Orders issued in the first nine months of the current year was 1,601,412, representing a value of about £4,295,000, as compared with 1,152,716, representing a value of about £3,344,000, during the corresponding period of 1880-81. During the year 1880-81 insured property to the value of about £7,876,000 was sent through the Post Office. The rate of insurance charged is $\frac{1}{4}$ per cent. of the value. The amount of property lost, whether from accident, fraud, or highway robbery, was only £1,040. This result testifies to the general efficiency of the Post Office administration, and to the honesty of the large body of postal employés, the great majority of whom are Natives of India.

Reduction in Registration Fee.

76. Various reforms have been introduced into the Post Office administration during the current year. On August 1st, 1881, the fee for Registration was reduced from 4 to 2 annas. It is too soon yet to say what will be the ultimate financial result of this reduction, but it is certain that, since the reduction of the fee, the number of registered letters has largely increased. During the month of December 1881, which is the latest month for which returns have been received, there was an increase in Head Offices alone of about 17 per cent., as compared with April 1881.

And in postage on Newspapers.

77. In October 1881 the postage on newspapers not exceeding 3 tolas ($1\frac{1}{4}$ ozs.) in weight, was reduced from 6 to 3 pie. It is too early yet to say whether this measure will have any effect upon the circulation of the Vernacular papers, which mainly benefit by the change.

Post Office Savings Banks.

78. I mentioned, on the occasion of my last Financial Statement (para. 95), that arrangements were being made to utilise the organisation of the Post Office with a view to giving increased facilities to depositors in the Savings Banks. The new scheme will come into operation on April 1st, 1882. We are unable at present to introduce it into the Bombay Presidency, owing to legal difficulties in connection with the vested rights of the Bank of Bombay. It will, therefore, for the present, only be introduced in the Bengal and Madras Presidencies. There are, at present, in those Presidencies, 179 Railway and Treasury Savings Banks. None of these will be closed, but from April 1st, 1882, 4,035 Post Office Savings Banks will be opened. The advantages of thus facilitating the investment of small sums by the rural population are obvious. Even with the limited number of Savings Banks now open, the accumulation of capital steadily increases. There were 63,293 Native and 44,485 European and Eurasian depositors in 1880-81, as compared with 52,147 Native and 39,141 European and Eurasian depositors in 1879-80. The value of the deposits was £3,299,000 in 1880-81, as compared with £2,315,000 in 1879-80. There was a remarkable and very satisfactory increase (£718,000) in the amount of Native investments. It is to be hoped that, with the additional facilities now offered, the amounts invested will increase more rapidly than heretofore.

79. The efficiency of the Post Office administration depends to a great extent on a very careful attention to small details. The requirements of the public have to be watched, and, so far as is possible, anticipated. From this point of view the criticisms and suggestions on postal administration which, from time to time, appear in the newspapers; both English and Vernacular, are of great assistance. It is desirable that the Post Office authorities should be kept fully informed of the most recent improvements introduced into the postal administration of other countries. With this object in view, a high official of the Post Office will shortly visit the principal countries of Europe, as well as the United States.

Life Assurance.

80. The Government has at present under its consideration a scheme for granting Life Assurances and Annuities, both immediate and deferred, to the employés of the Post Office. This scheme will shortly be introduced. The experience we shall thus gain will enable us to judge whether it will be desirable to extend the scheme to others besides postal employés.

Pay of Postmasters.

81. The increased work which has been thrown upon the Post Office renders it desirable to improve the position of Post Masters, more especially in Bengal, the North-Western Provinces and Oudh, where their pay has, relatively speaking, been low. The salaries of the Post Masters have, therefore, been increased in those Provinces, at a cost to the State of about £5,000 a year.

XIV and 16. Telegraph

82. The net cost to the State of the *Telegraph* Department is now estimated at £91,000 as compared with the Budget Estimate of £81,000. In the course of the year important additions were made to the pay of the Telegraph establishment. About 1,000 miles of line have been opened and about 4,000 miles of new wire erected; 128 additional offices were opened. It is too early yet to judge of the effect on the Revenue of the alterations in the Tariff which were introduced on January 1st, 1882, or of the extent to which the system of sending "urgent" and "deferred" messages is appreciated by the public. The following figures, however, give some indication of the results attained so far. From the Calcutta Office 7 per cent. of the messages despatched during the month of January were "urgent," 71 per cent. were "ordinary," and about 21·5 per cent. were "deferred." Comparing the number of messages sent from four of the principal offices in January 1882 with the number sent in January 1881, there has been an increase in Calcutta of 9 per cent., in Madras of 11 per cent., in Rangoon of 15 per cent.; in Bombay there has been a falling off of 5 per cent. During the year Postal Telephone Offices have been established as adjuncts to the Telegraph Department. Licenses have also been granted to Telephone Exchange Companies in Calcutta, Bombay, Madras, and Kurrachee.

XXVII & 34. Other Public Works.

83. The net Expenditure on *Other Public Works* is now estimated at £215,000 in excess of the Budget Estimate. The main increase of Imperial Expenditure has taken place in Bengal, where it is expected that the Budget Estimate will be exceeded by a sum of about £83,000. This is due to additional grants having been made during the year for the new Treasury Building, the new Central Press Building, and the new Military Account Offices, the Imperial Museum at Calcutta, and for several other works. The expenditure on Military Works during the year 1880-81 fell short of the Regular Estimate by £68,000. This amount was, therefore, added to the grant for 1881-82. For some years past it has been the practice to give a fixed grant of £1,000,000 a year for Military Works, on the understanding that any unexpended balance is carried forward for expenditure in the following year.

XXVIII and 35. Army.

84. The Regular Estimate provides for a total net *Military Expenditure* of £17,494,000, *viz.*, £16,150,000 Ordinary and £1,344,000 War, as against a Budget Estimate of £17,855,000, *viz.*, £15,645,000 Ordinary and £2,210,000 War.[1] The present Estimate of net Military Expenditure is, therefore, £361,000 less than the Budget Estimate. The difference would have been greater but that a sum of £560,000 has been deducted from *Frontier Railways* and added to *Military Operations in Afghanistan.* This sum represents the amount of Capital expended on the unfinished portion of the Kandahar Railway. It was thought desirable to make this transfer in order that the Capital Account of the existing Railway, which runs from Ruk on the Indus to Sibi and Pir Chowki,

[1] This calculation excludes the English contribution from the Revenue side of the Account.

should not be burdened with expenditure which does not really belong to it, and which is properly debitable to the War. If we deduct this amount of £560,000, the net War Expenditure, exclusive of Frontier Railways, would be reduced from £1,344,000 to £784,000, and the Regular Estimate of total net Military Expenditure would be £16,934,000, being £921,000 less than the Budget Estimate.

War Expenditure of 1881-82.

85. I have already explained (para. 10) that a redistribution of the English contribution between the years 1880-81 and 1881-82 was made in September 1881. According to the original distribution, £2,000,000 was to be credited to the Account of 1880-81 and £3,000,000 to the Account of 1881-82. This latter sum of £3,000,000 was estimated to cover the cost of Military Operations in Afghanistan and of Frontier Railways in the proportion of £2,210,000 for the former, and £790,000 for the latter, class of expenditure. The distribution adopted in September, which was the best that could be made according to the information then available, was £2,695,000 for 1880-81 and £2,305,000 for 1881-82. According to the Regular Estimate, the net charge for *Military Operations in Afghanistan* during the year 1881-82 will be £1,344,000, and the charge for *Frontier Railways* £209,000. The total net cost of Military Operations proper and of Frontier Railways, taken together, during the year, has, therefore, been £1,553,000, being £752,000 less than the amount of the English contribution which will be credited to the year's account. These figures, however, do not accurately represent the state of the case. It will be observed that, whilst the net War Expenditure recorded under *Army* is estimated at £866,000 less, the net Ordinary Military Expenditure is estimated at £505,000 more, than the Budget Estimate. It has, in fact, been found impossible to distinguish accurately between Ordinary and War Expenditure. Orders were issued in the course of last autumn that from January 1st, 1882, the charges on account of the troops beyond the frontier should be treated as Ordinary, only special charges, such as compensation for loss of camels, &c., being classified as War Expenditure. It cannot be doubted that a great deal of the expenditure debited to the Ordinary account really belongs to the War. The Military Estimate must, in fact, be treated as a whole. The division into Ordinary and War Expenditure does not pretend to any great accuracy.

Total cost of the War.

86. It will be convenient in this place that I should state the total cost of the War. Exclusive of the cost of Frontier Railways, the direct cost of the War may be taken at £17,551,000 (true sterling £14,679,000). The Frontier Railways are estimated to cost £4,060,000 (true sterling £3,614,000). The total cost of the War, if we include Frontier Railways, is, therefore, £21,611,000 (true sterling £18,293,000). Of this amount £5,000,000 (true sterling) has been paid by the Government of England, and the remainder by the Government of India.

Year.	Military operations.	Frontier Railways.	Total.
	£	£	£
1878-79 (Accounts) . .	676,000	...	676,000
1879-80 (Accounts) . .	4,766,000	1,334,000	6,100,000
1880-81 (Accounts) . .	10,765,000	2,294,000	13,059,000
1881-82 (Regular Estimate) .	1,344,000	209,000	1,553,000
1882-83 (Budget Estimate) .	...	223,000	223,000
Total .	17,551,000	4,060,000	21,611,000

A very accurate calculation is impossible.

87. This is the best calculation that can be made of the cost of the War, but it does not profess to be very accurate. On the one hand, certain deductions have to be made by reason of the increased receipts from Railways and Telegraphs, consequent on the War. It is impossible to say to what an extent any deduction should be made on these heads, but the amount, if it could be accurately calculated, would, no doubt, be considerable. On the other hand, some large additions have to be made, both by reason of the fact, to which I have alluded above (para. 85), that a good deal of War Expenditure has been debited to the Ordinary Account, and also because the cost of the Punjab Northern State Railway is not included in this calculation. The construction of that Railway was hurried on by reason of the War, and, in consequence, it no doubt cost considerably more than it otherwise would have done. Further, some small charges have yet to be incurred on account of the War. Provision has been made in the Budget of 1882-83 for a sum of £30,000 on account of these charges.

XXIX and 36. Exchange.

88. The Budget Estimate provided for a net *Loss by Exchange* of £3,063,000. It was anticipated that the Secretary of State would draw £17,200,000 sterling. The value of the rupee was taken at 1*s.* 8*d.* There has been a considerable demand for Council Bills lately. The opportunity has, therefore, been taken to remit home money to an extent somewhat in excess of the year's requirements. It is now estimated that the Secretary of State will draw on the Government of India to the extent of £17,504,000 sterling during the current year, at an average rate of 1*s.* 7·88*d.* The net *Loss by Exchange* is now estimated at £3,294,000, being £231,000 in excess of the Budget Estimate.

31. Famine Relief and Insurance.

89. It will be observed that the grant of £1,500,000 for *Famine Relief and Insurance* is divided into three sub-heads, *viz.*, *Relief*, *Protective Works*, and *Reduction of debt*. There has been an expenditure of £23,000 on *Famine Relief* during the current year in Madras, caused by a remission of some of the advances given to cultivators and others in 1876.

Protective Works.

90. According to the Regular Estimate the expenditure during the current year on *Protective Works* will be as follows:—

	£	£
North-West Provinces—		
Betwa Canal		25,000
Bombay—		
Nira and Gokak Canals and Maswad Tank ...	82,000	
Southern Mahratta Railway	315,000	
		397,000
Punjab—		
Swat Canal	40,000	
Rewari—Ferozepore Railway	207,700	
		247,700
Madras—		
Surveys		6,000
Expenditure in England		51,300
TOTAL		727,000

Reduction of Debt.

91. The annual grant (£750,000) to be applied to the *Reduction of Debt*, together with a portion (£90,000) of the same grant for 1882-83, will be devoted to paying off the 5 per cent. loan of 1867 (£603,000) and the 4 per cent. loans of 1871 (£203,100), of 1824-25 (£31,600), and of 1828-29 (£5,800). Various suggestions have, from time to time, been made as to the best method of spending this money for the future. I need not, at present, discuss those suggestions. They will, without doubt, be carefully considered by the Commissioners appointed under the Government Resolution published in the *Gazette of India* of February 4th, 1882. It was, in fact, with a view to the full consideration by an independent body of the various alternatives which are possible that the Commissioners were nominated; and the Resolution appointing them was drafted with a view to embracing all the different suggestions which have, from time to time, been made. We should have been glad if we could have given somewhat greater powers to the Commissioners, but it was held that we were precluded by Act of Parliament from doing so. The Commission will be a consultative body. The final responsibility for action will rest with the Government. I trust, however, that the difference will be more nominal than real. The Government will, without doubt, always be disposed to follow the advice of the Commissioners. I wish on behalf of the Government to thank the gentlemen (Mr. J. Keswick and the Honourable Durga Charan Láhá) who have consented to act as Commissioners. It is, I venture to think, desirable to take any opportunity of this sort which may arise to associate the leading members of the mercantile community with the work of Government in India. A good deal of misapprehension as to the views and intentions of Government not unfrequently arises from the want of free communication between the official and unofficial classes.

Famine Insurance policy.

92. I take the present opportunity of drawing renewed attention to the leading feature of the Famine Insurance policy. Whether the method which has now been adopted for disposing of the annual grant of £1,500,000 is the best of

which the circumstances admit, may be a matter of opinion. There can, however, be no doubt whatever that by the annual expenditure of £750,000 on works which will to some extent prevent famine, and which will also, it may reasonably be hoped, render the relief of famine, when it occurs, less costly,—and by the expenditure of a further sum of £750,000 on reducing debt in some form or another,—we are, in the strictest sense of the word, insured against famine to the extent of £1,500,000 a year. That sum the Famine Commissioners, after a very full consideration of the whole subject, named as the "amount not likely to be exceeded as the average charge for famine relief "over a series of years." Having made provision for this sum of money to be expended annually, the Government considers that all that is necessary has been done with a view to placing India in a sound financial position to meet future famines. I mention this again, although it has frequently been explained before, because, should unfortunately a famine occur with the result that any anticipated surplus of the year is turned into a deficit, it may not improbably be urged by those who take a very gloomy view of the financial position of India as a proof that their fears have been verified. I venture to think that no such inference would be justified. We do not profess to finance for a surplus in a year of famine. When a serious famine occurs, it is inevitable that the Expenditure of the year should be greater than the Revenue. We anticipate that, under the circumstances assumed, this will be the case, and we consider that all the requirements of sound finance have been met if in ordinary years a sum of £1,500,000 has been expended, partly as an insurance against the loss which must of necessity accrue when famine occurs, and partly on works which will either tend to prevent the occurrence of famine, or will, at all events, diminish the cost of relieving it when it occurs.

VII.—Expenditure on Railways.

Railways.

93. The "Ordinary" Expenditure on Railways for the year 1881-82 was originally estimated at £417,000. It is now estimated at £281,000. The difference is mainly due to the transfer of the estimated outlay during the current year on the Jhelum—Rawulpindi Section and Salt Branch Extension of the Punjab Northern State Railway from *32. Railways* to *37. Productive Public Works.*

XXV and 32. Railways.

Subsidized Railways.

94. The item of £39,000 under the sub-head of *Subsidized Railways* is for the purchase of the land necessary to the construction of the Bengal Central Railway, and for guaranteed interest payable to the Company. The item of £2,000 on the Revenue side of the Account represents the interest realised on the capital paid by the Company to the Secretary of State.

Frontier Railways.

95. The decrease of £581,000 under the sub-head of *Frontier Railways* is mainly due to the transfer of £560,000 to *Military Operations in Afghanistan*, which I have already explained (para. 84).

Railways classed as Productive Public Works. Revenue and Expenditure Account.

96. Turning to the Revenue and Expenditure Account of those Railways which are classed as Productive Public Works, it will be observed, on comparing the figures under *XXV* and *32. Railways*, that the Budget Estimate of net receipts appears to have been exceeded by £1,064,000. Of this apparent improvement, £150,000 is shown as decrease of expenditure on account of the East Indian Railway. The decrease under this head is almost entirely due to the interest on the East Indian Railway Debentures having, in the Budget Estimates, been included under *32. Railways*, whereas, in the Regular Estimate, it is charged to *1. Interest on Debt.* The result is that, whilst the charge under the former head of account is decreased, that under the latter is increased to the extent of about £150,000. Hence, the net receipts from *Railways* are really £914,000 in excess of the Budget Estimate. Almost the whole of this increase is on account of the Guaranteed and East Indian Railways. On the Guaranteed lines the main increases have taken place in the Great Indian Peninsula and Eastern Bengal Railways. The net receipts from State Railways are now estimated at £18,000 more than the Budget Estimate. The net receipts of the Rajputana—Malwa Railway have improved by £110,000; but this improvement has been, to a great extent, counterbalanced by the falling off on the Punjab Northern Railway, the net receipts from which are now taken at

£88,000 less than was originally estimated. So long as the war traffic was going on, it was difficult to frame any correct estimate of the normal net receipts on this line.

Construction of Railways by private enterprise.

97. In my last Financial Statement (para. 30) I made the following remarks: "I am not over-sanguine as to the possibility of developing the resources "of India rapidly through the agency of private enterprise; but the end to "be attained is so important that the policy merits a further trial." My main object in making these remarks was to draw public attention to the subject and to remove the impression which heretofore, whether rightly or wrongly, had prevailed, that the Government of India was disposed to discourage the construction of Railways by any other agency than that of the State. This object has been attained. The question has, indeed, now entered a new phase. Numerous offers have been received by the Government to construct Railways on terms more or less advantageous to the State. Many of these merit, and will receive, careful attention. In respect to others, all I need say is that the necessity for the warning which I gave last year to the effect that it was "important only to give concessions to such persons as can "afford good security that they have at their command a sufficient amount of "capital to carry out the undertaking to a successful issue," has been justified by subsequent events.

Central Bengal Railway.

98. I mentioned last year that a Company was about to be formed, under the auspices of Messrs. Rothschild, to construct a Railway from Calcutta to Jessore and Khulna. The original basis of negotiation was that no Government aid was to be given except the grant, free of charge, of the land necessary to the construction of the line. Ultimately it was decided to give a guarantee of 4 per cent. during the period of construction, which was limited to five years. The transaction was a great advance on anything which had heretofore been accomplished in the way of constructing Railways by unaided private enterprise in India.

Railway policy is under discussion.

99. In respect to some Railways in India it may be said that they present a sufficiently reasonable prospect of success to justify the hope that the capital necessary to their construction can be raised through the agency of private enterprise on the exclusive security of the success of the undertaking. In respect to others, whose immediate prospects of proving remunerative are less hopeful, it was inevitable that the question of the degree of aid which, in the early stages of the undertaking, may legitimately be afforded by the State, should arise. This important question now forms the subject of correspondence between the Secretary of State and the Government of India. Under these circumstances I will not at present discuss it, but will confine myself to stating in detail the actual position of affairs, both as regards the progress of Railway construction generally, and of the main projects which have recently occupied the attention of Government and of the public.

General principle of private enterprise approved by the Secretary of State.

100. I wish, however, to say that so far as the broad issue of whether permission should under any circumstances be given to private Companies to construct Railways in India is concerned, Her Majesty's Government has entirely approved of the views which I propounded on the occasion of my last Financial Statement. In a despatch reviewing that Statement the Secretary of State observed: "I have to express my cordial approval of the views enunciated "by Major Baring in his Financial Statement, regarding the encouragement of "private enterprise in India, any measures in which direction will be welcomed "by Her Majesty's Government." I repeat that I am not over-sanguine of the results which may be produced by this change of system. The success or failure of the policy obviously depends to a great extent on circumstances over which the Government can exercise no control. All I claim for the policy is that it should have a fair and impartial trial.

Lines open and under construction.

101. At the commencement of the year 1881-82, there were 9,619 miles of Railway open to traffic, and 646 miles under construction. During 1881-82, 318 miles of Railway have been opened to traffic and the commencement of 1,154 additional miles has been sanctioned. We have, therefore, now 9,937 miles open to traffic and 1,482 miles which are either under construction or whose construction will be commenced in 1882-83, making a total of 11,419 miles. Of those lines which are under construction it is expected that 491 miles will be opened during the year 1882-83.

Oudh and Rohilkhund extension.

102. In the course of the year arrangements were made with the Oudh and Rohilkhund Railway Company to extend their operations in a northerly direction from Moradabad to Saharunpore with a branch from Roorkee to Hurdwar, a total distance of 134 miles, at a cost of about £1,500,000. It is expected that this extension, together with the bridge over the Ganges at Benares, will be finished in 1883-84. There will then be through communication, without any break of gauge, from the East Indian Railway at Mogulserai through Oudh to Saharunpore.

Sonepur—Gorakhpur and Bahraich Railway.

103. A survey has been made of the line from Sonepur to Gorakhpur and Bahraich. The total length of this line, with its branches, is 432 miles. It was originally estimated to cost, on the metre gauge, £2,126,000, or about £4,900 a mile. The Consulting Engineer of the Government of India considers this estimate too low. The estimates are now being further examined. In the meanwhile the papers on the subject have been published, and we have addressed the Secretary of State, recommending that enquiries should be made with a view to ascertaining whether a Company, unaided by Government in any way except by a free grant of land, could be formed to undertake the construction of the line.

Southern Mahratta System.

104. One of the most important lines in India, whether from the point of view of protection against famine or in respect to the development of a tract of country whose progress is now retarded owing to deficient means of communication, is that which is known by the name of the Southern Mahratta System. This system includes (1) the line from Bellary to the Portuguese Frontier, which the Government of India is under a treaty obligation to construct; (2) branches to Belgaum on the one hand and to Bunkapur on the other; (3) a direct connection between Sholapur and Gadag. The total length of the line is 444 miles. £315,000 will be spent on the Sholapur—Gadag and Bellary—Hubli Sections in 1881-82 out of the grant of £750,000 for Protective Works. A further allotment of £370,000 out of the same grant has been made for 1882-83. Work is about to commence on the line between New Hubli and the Portuguese Frontier. A sum of £150,000 from Ordinary funds has been granted for this purpose in 1882-83. This is the most we can do at present with the funds at our disposal. But, in view of the very great importance of completing this Railway system without delay, we have urged upon the Secretary of State the desirability of endeavouring to arrange for its construction by a Company. It is especially in respect to lines of this nature that the question of the degree of aid which may be afforded by the State to private enterprise arises.

Railway communication with Assam.

105. The question of Railway communication with Assam has recently occupied the attention of the Government. At a recent meeting of the Indian Tea Association the Chairman (Mr. J. Keswick) said—"What we want for "Assam is good communications; for good communications will do more to "settle the labour question than anything else. The soil we know to be of the "richest description, and with sufficient labour there is no limit to its pro-"ductiveness."

Dacca—Mymensingh line.

106. The projected line from Naraingunge to Dacca and Mymensingh is 85 miles long. It is estimated to cost £600,000, or about £7,000 a mile, on the metre gauge. The line is now being located. It would be desirable that this line should be constructed, if only to open out the country about Mymensingh, but its main importance lies in the possibility of a further extension to Gauhati, a distance of about 100 miles from Mymensingh. This extension is being now reconnoitred. No official report on the results of the reconnaissance has as yet been received, but I am informed that the Engineer-in-Chief is of opinion that the route is impracticable, save at very inordinate expense.

Line from Daudkandhy to Comilla and Chittagong.

107. An alternative project would be to make a line through the Cachar hills to Sibsagar. This alternative is supported by many high authorities. No reconnaissance has as yet been made of this route. In the meanwhile the Bengal Government has under consideration a project to make a Railway from Daudkandhy to Comilla and Chittagong, a distance of 125 miles. It is estimated that, on the metre gauge, the construction of this line would cost £812,500, or £6,500 a mile.

River communication up the Brahmaputra.

108. In the meanwhile, as it is obvious that some long while must yet elapse before Railway communication with Assam can be established, arrangements are being made with a Company to start a daily service of fast steamers up the Brahmaputra from Dhubri. These arrangements are now almost complete.

Dibrugarh—Sadiya Line.

109. In the course of the year a concession was made to a Company to construct 76 miles of Railway in the most easterly portion of Assam, namely, from Dibrugarh to Sadiya (52 miles), with a branch to Makum (24 miles). This proposal has been for a long while under consideration, and the negotiations were already far advanced, when, on the occasion of my last Financial Statement, I alluded to the desire of Government to enlist private enterprise in aid of Railway construction in India. The concessions granted to the Company were very liberal, and are not to be taken as an indication of what the Government would be prepared to concede in other cases.

Direct connection between the Central Provinces and the East Indian Railway system.

110. Reconnaissance surveys are being made with a view to considering the possibility of making a direct connection between the Central Provinces and the East Indian Railway system. Various overtures have been received from capitalists of respectability, including some Natives of India, which may perhaps eventually lead to the construction of this line. Until, however, the reports of the Engineer Officers who are now employed in reconnoitering are received, I am unable to say any thing definite, either as to the route the line will eventually take, or as to the likelihood of any negotiations with a Company being conducted to a successful issue.

Raipore—Vizagapatam Line.

111. Simultaneously, a reconnaissance is being made of the country between Raipore and Vizagapatam, with a view to judging of the possibility of connecting these points by Railway.

Bareilly—Ranibagh Line.

112. Negotiations are in progress with a view to the construction, through private agency, of a Railway from Bareilly to Ranibagh, a distance of 66 miles. The cost of this undertaking will be about £220,000.

Baroon—Daltongunge Line.

113. A proposal has been received from a local Company to make a line from Baroon, on the river Sone, to Daltongunge. The length of this line is 56 miles, and the cost, on the metre gauge, is estimated at about £275,000, or £4,900 a mile. This project is now under the consideration of the Bengal Government. The information at present in the possession of Government is not of a nature to enable us to judge thoroughly of the advisability, or the reverse, of making the concessions which have been demanded.

Nilgiri Railway.

114. Negotiations are pending between the Madras Government and a Company with a view to the construction of a line from Metapaliyam to Coonoor, a distance of 12 miles. The cost of this line is estimated at £132,000.

Baidyanath—Deoghur Tramway.

115. A short line is to be constructed from the Baidyanath Station on the East Indian Railway, to Deogurh and Rohinee, a distance of 6 miles. A very satisfactory feature in respect to this small undertaking is that it is to be constructed without any aid from Government except the grant of the land, and that the capital required (£25,000) has been locally subscribed.

Rohtuk—Delhi Tramway.

116. There is also some prospect that a local Company will be formed in the Punjab to make a tramway from Rohtuk to Delhi, a distance of 43 miles.

Total cost of Railways in India.

117. It may be interesting that I should here state the sum of money which, up to the present time, has been laid out on Railways in India, together with the financial results which have ensued from their construction.

118. The total capital outlay on Railways in India up to the end of 1882-83 [1] will be £138,937,000, *viz.*, £68,292,000 on Guaranteed lines, £31,852,000 on State lines, and £38,793,000 on the East Indian Railway.

119. The net charge to the State on account of the Guaranteed lines has been decreasing since 1872-73, in which year it reached its maximum figure (£2,054,000). In 1881-82 it is estimated that the net charge will only be £115,000. In 1882-83 it is at present estimated that the net charge will be £261,000.

120. The net charge to the State on account of State lines reached its maximum figure (£725,000) in 1879-80. In 1882-83 it is estimated at £206,000.

121. From 1879-80, when the East Indian Railway was taken over by the State, up to the end of 1882-83, it is estimated that this line will have yielded a net profit to Government of £4,133,000.

[1] Up to the end of 1880-81, the figures are Actuals; for 1881-82, the figures of the Regular, and for 1882-83, those of the Budget Estimate, have been taken.

122. If the subject be considered as a whole, it may be said that the total cost of the Railways to India from their commencement to the end of 1882-83, that is to say, the total sum by which the net receipts have fallen short of the interest paid on the Capital outlay, is estimated at £25,569,000. The maximum net charge to the State in any one year amounted to £2,163,000. This figure was reached in 1872-73. In 1877-78 the Railways for the first time yielded a net profit (£132,000). This was due to the large amount of traffic during the famine. In the following year (1878-79), when the country was suffering from the effects of the famine, the net charge was heavy (£1,350,000). If we balance the abnormal receipts of the year 1877-78 against the abnormal losses in 1878-79, it may be said that since 1872-73, the net charge to the State has been steadily diminishing, until during the current year it is estimated that a net profit of £723,000 will be realised. This result may possibly be exceptional, and it would be unsafe to rely on a continuance of the high receipts which have recently been obtained. But according to the moderate Budget Estimate of 1882-83, the net gain to the State during the coming year will be £261,000.

The net charge the State has been diminishing since 1872-73.

123. It may also be interesting that I should state the financial position of each Railway considered separately. The following tables show (1) the capital outlay on each line to the end of 1881-82; (2) the estimated net receipts during the current year; (3) the percentage return on the capital outlay.

1. Guaranteed Railways.

	Estimated capital outlay to end of 1881-82.	Net Receipts. Regular Estimate, 1881-82.	Percentage.
	£	£	
Eastern Bengal	3,555,509	300,000	8·43
Madras	11,424,764	200,000	1·75
South Indian	4,547,039	120,000	2·64
Bombay, Baroda, and Central India	8,756,881	580,000	6·62
Great Indian Peninsula	25,749,956	1,800,000	6·99
Oudh and Rohilkhund	6,321,766	195,000	3·08
Sind, Punjab, and Delhi	11,957,111	295,000	2·47

2. State Railways.

	Estimated capital outlay to end of 1881-82.	Net Receipts. Regular Estimate, 1881-82.	Percentage.
	£	£	
East Indian Railway	38,307,683	3,110,000	8·12
Rajputana	5,617,039	320,000	5·70
Western Rajputana			
Neemuch	3,423,441	60,000	1·75
Holkar			
Scindia	869,206	9,500	1·09
Wardha Coal	593,592	7,500	1·26
Nagpur and Chattisgurh	828,567	10,000	1·21
Rangoon and Irrawaddy	1,289,305	64,000	4·96
Dhond and Manmad	997,628	14,000	1·40
Northern Bengal	2,101,600	94,000	4·47
Tirhoot	575,285	24,000	4·17
Patna and Gya	380,014	17,000	4·47
Nalhati	33,624	100	·29
Calcutta and South-Eastern	679,486	—4,000	—·59
Cawnpore—Farakhabad	324,841	12,500	3·84
Muttra—Hattras	109,287	3,500	3·20
Ghazipur—Dildarnagar	67,853	500	·74
Muttra—Achneyra	66,890	100	·15
Indus Valley	8,028,093	115,000	1·43
Punjab Northern (Lahore to Rawalpindi, including Salt Branch)	4,534,743	21,500	·47

Conclusions to be drawn from the figures.

124. These tables enable us to arrive at the following conclusions:—

(1) In respect to the Guaranteed lines, £38,062,000 of the capital which has been laid out up to the end of 1881-82 is paying more than 4°/₀, and £34,251,000 is paying less than 4°/₀.

(2) The East Indian Railway, on which £38,308,000 has been expended, is paying about 8°/₀.

(3) In respect to the State lines, £9,963,000 of the capital laid out up to the end of 1881-82 is paying more, and £20,555,000 is paying less than 4°/₀. It is to be borne in mind that this latter figure includes £12,563,000 for the Indus Valley and Punjab Northern Lines, which were avowedly constructed for strategical purposes, that many of the lines are scarcely finished, and that others have only very recently been opened to traffic.

VIII.—Supply of Stores to Government.

Supply of Stores to Government.

125. In the last Financial Statement (para. 105) I alluded to the desirability of substituting articles of local manufacture, when possible, for such articles as the Government has been in the habit of importing from Europe. The objects of this policy are twofold. In the first place, to diminish the Home charges. In the second place, to encourage by all legitimate means the establishment of new industries in India. In respect to this latter question the Famine Commissioners observe (Report, Part II, Chap. VI) that—

Objects of the policy of purchasing stores locally.

"At the root of much of the poverty of the people of India, and of the risks to which "they are exposed in seasons of scarcity, lies the unfortunate circumstance that agriculture "forms almost the sole occupation of the mass of the population, and that no remedy for "present evils can be complete which does not include the introduction of a diversity of "occupations, through which the surplus population may be drawn from agricultural pursuits "and led to find the means of subsistence in manufactures or some such employments."

* * * * * * * *

"So far as the products of any industries established in India can be economically used by "Government, they might properly be preferred to articles exported from Europe, and generally "the local markets should be resorted to for all requisite supplies they can afford. We are "aware that steps have been taken, within the last few years, to enforce this principle, but more "can certainly be done, and greater attention may properly be paid to the subject."

Limits to influence of Government.

126. It would be easy to exaggerate the extent to which any Government action can exercise an influence upon the important economic question to which the Famine Commissioners allude. This was pointed out by the Commissioners in their Report. At the same time Government can do something in the proposed direction, and what it can do, it ought to do and is desirous to do.

General orders on the subject have been overlooked.

127. General orders have on previous occasions been issued to the effect that, wherever feasible, stores of Indian origin or manufacture should be substituted for imported goods. But the tendency of general orders is to be overlooked. When, therefore, a general order was issued last June prescribing that for the future every effort should be made to supply the wants of Government by the purchase in the local market of articles of *bonâ fide* local manufacture, it was deemed necessary, in order to ensure attention to the order, to follow it up by a specific prohibition in every case, in which this could reasonably be done, of the importation of stores. The prohibition could not, of course, be made absolute. It was necessarily limited to cases where the articles required could be obtained in quantities sufficient for requirements at prices not higher than, and of a quality not appreciably inferior to, the prices and quality of the imported goods for which they were to be substituted. Also, where an Indian-made article different from the imported article, but equally serviceable, was obtainable, orders were given that the former was to be preferred. Since last June the Financial Department has been actively employed in watching the operation of the orders given by the Government, and seeing that they are rigorously adhered to. The Military and Public Works Departments, which are the two largest consumers of stores, gave their adhesion to the policy under discussion, and have co-operated in carrying it into execution. The Local Governments and Administrations have also lent valuable assistance by insisting on a careful observance of the orders by the

chiefs of the departments subordinate to them. I take this opportunity of expressing a hope that the various Departments concerned, as well as the Local Governments and Administrations, will continue to watch this subject carefully. Without their cordial co-operation and assistance it will be almost impossible to give effect to the policy of the Government. General orders, as I have already said, are of little avail. The question is essentially one of detail, and unless each indent on England be carefully examined in detail, with a view to the exclusion of such articles as can be obtained locally, no considerable advance in the desired direction will be made.

Results attained up to present time.

128. It was considered that the most efficient and speedy way of ensuring the practical execution of the orders was to call for statements of the stores received by Departments from England during the two previous years, and to specify distinctly the stores entered in the lists which were not in future to be obtained elsewhere than in India. This has been done with every list of stores which has been received, and a similar process has been gone through with every current indent for stores received in the Financial Department. The work has been very laborious, and much credit is due to Mr. O'Conor, the Assistant Secretary in the Financial Department, for the manner in which it has been executed. The result so far is, briefly, that in the Civil Departments, stores, which had hitherto been imported to the annual value of about £80,000, will in future be obtained in India of Indian manufacture. The largest values are represented by cotton and woollen goods, but the list includes a great variety of other articles; for instance, agricultural and other implements, building materials, such as cement and fire bricks, chemicals, drugs and medicines, earthenware, glass-ware, hardware, iron-ware in great detail, leather, liquors, oils, paints, soap, paper and stationery, printing materials, rope and twine, silk goods, scientific instruments, &c. This list indicates the great capacity of India as a manufacturing country. Capital and acquired skill are necessary for the full development of this capacity, and it is hoped that this will be forthcoming if the prospect is held out of a continuous demand on the part of the State for all the articles which it requires. The Government has, accordingly, offered contracts for terms of years to anybody able to supply articles not now made in the country of sufficiently good quality and at reasonable prices. In some cases such offers have elicited answers which are encouraging. In others no reply has been made to the offers of the Government.

Civil Departments.

Capacity of India as a manufacturing country.

Military Department.

129. In addition to the total of £80,000 mentioned above, the Military Department has already substituted Indian goods to the value of £166,700 for articles hitherto imported; among the chief items being beer and woollen goods (blankets). Arrangements have also been made to manufacture in India, through the agency of private enterprise, a portion of the boots required for the Army, and it is hoped that eventually India will be able to supply the whole demand. The change is still in active progress in the Military Department, and in the course of another year or two it is hoped that the total amount of stores purchased in India will be increased.

Public Works Department.

130. The Public Works Department has not as yet been able to do much in the same direction. The requirements of that Department mainly consist of girders, rails, and other articles made of wrought iron. Unfortunately India cannot yet manufacture wrought iron or steel, although it is hoped that before long a commencement will be made. Great facilities exist for the manufacture of these articles in more than one province, and only wait for efficient private enterprise to take them up.

Total reduction of European stores up to present time.

131. A reduction of about £250,000 out of the whole value of the Government stores imported into India is not much, but it is a good beginning. With the development of the woollen industry which has been started under favorable conditions at Cawnpore and Lahore, paper-making, leather manufacture, and brewing, all of which are now thriving, there is good reason to hope that eventually a material impression will be made on the totals of the imports on account of the State.

Result as shown by comparison of total imports.

132. Sufficient time has not yet elapsed for the effect of the orders which were recently issued to be seen on a general review of the imports. Indents which had been sent to England in 1880 or before, are now being complied with; reserve stores must be exhausted, and time must be given to local manufacturers

to complete their arrangements to make and deliver goods. I give, however, the following figures, in order to show the facts of the case as they now stand.

133. The total value of the stores imported on behalf of Government in 1879-80 was £1,424,000. In 1880-81 it was £2,808,000. The increase in 1880-81 over 1879-80 is to a great extent apparent and not real, owing to the classification of stores for the East Indian Railway, after it became the property of the State, as Government stores, whereas formerly they were classed in the trade accounts under general trade. A great quantity of material was also imported for the Frontier and other State lines of Railway. The increase was, in fact, almost entirely under this head. In the ten months of the current year, for which we have returns, the value of the imports has amounted to £1,806,000 as against £2,349,000 in 1880-81 and £1,070,000 in 1879-80. Of this sum of £1,806,000, £1,014,000 was for "Railway Plant and Rolling-stock," which cannot be obtained in India, as against £1,322,000 in 1880-81 and £322,000 in 1879-80 under the same head. Excluding this item, the figures for the three years would stand thus:—

	£
1879-80	... 748,000
1880-81	... 1,027,000
1881-82	... 792,000

The value of imports, other than Railway material, during the first ten months of 1881-82 is, therefore, £235,000 less than during the corresponding period of 1880-81, and £44,000 more than during the corresponding period of 1879-80. Little, however, is to be learnt by comparisons of this sort. The only way to watch the development of the policy is to compare the total quantities of any particular article supplied to the State, and note the proportion in which those quantities have been obtained locally or imported from Europe.

Jail manufactures.

134. In connection with the subject now under discussion I may mention that the question of jail manufactures is at present under the consideration of Government. A circular has been addressed to Local Governments with a view to ascertaining the precise nature of the articles which are sold either to the public or to Government, and, more especially, the system which is adopted in calculating the selling price of those articles. There can be little doubt that, in some instances at all events, articles manufactured at jails are sold at prices which preclude the possibility of fair competition. Moreover, it must in some places happen that one large jail can supply articles sufficient to meet the whole local demand, so that, irrespective of price, local enterprise is in danger of being crushed out. If the question be considered from the purely financial and economic point of view, it may, I think, be held that any diminution of the charge for jails thrown on Government is dearly bought at the expense of checking the growth of Native industries. The question, however, is not purely financial and economic. Behind it lies the far more difficult question of how prisoners can best be employed. I am not at present in a position to state the nature of the decisions at which the Government will ultimately arrive. All I can now say is that we recognise the importance of this difficult question, and that it will receive careful consideration.

IX.—The Opium Question.

The Opium Question from an economic point of view.

135. The main financial and political feature of the year which is about to close, is that, whereas at its commencement we were at war, or at all events were still burthened with a heavy War Expenditure, we are now at peace. With the advent of peace the Government has been able to turn its attention to questions of domestic policy. We have, during the course of the summer, passed under review the several branches of the Indian fiscal system, and I am now in a position to announce the decisions at which we have arrived in respect to several important points connected with that system. The first question to which I propose to allude is Opium.

Extent to which the Opium Revenue is precarious discussed.

136. It has been often stated that the Revenue which India derives from Opium is precarious. It will be desirable to examine to what extent this description is correct.

137. The general belief that the Opium Revenue is precarious, appears, to a great extent, to be based upon the violent fluctuations which in past years have taken place in the prices realised for Bengal Opium at the Calcutta sales. Sir John Strachey, in his recent work on the Finances of India (Chap. XIV), has shown that the facts of the case do not altogether warrant any such inference. The fluctuations of price in past years were to a great extent due to the fact that great variations took place in the number of chests of Opium offered annually for sale.

Dangers to which it is exposed.

138. Nevertheless, the Opium Revenue is exposed to some dangers of an exceptional nature. Moreover, those dangers are somewhat more prominent at present than they have been in past years.

The crop is precarious.

139. The policy of the Government for the last two years has been to offer 56,400 chests of Bengal Opium for sale annually. The Opium crop is precarious. To ensure a continuous supply of 56,400 chests a year, it is necessary to maintain a reserve, in order that the surplus of good years may be used to supply the deficiencies in bad years. The average annual production of "provision" Opium,—*i.e.*, Opium for sale by public auction, which is mostly exported to China,*—for the last twenty years, has been 50,154 chests. The crops of the years 1875-76 and 1876-77 were exceptionally good, producing respectively 68,051 and 67,167 chests of provision Opium. The result was that a strong reserve was constituted. It has, therefore, been possible for the last four years to offer a large number of chests for sale.† But in order to effect this object, it has been necessary to draw on the reserve, which, in consequence, has been steadily diminishing, as the following figures will show:—

* In addition to the quantity exported, about 4,000 chests of Bengal Opium are consumed in India. This is termed "Abkari" Opium.

	Chests.
† 1878-79	55,500
1879-80	59,100
1880-81	56,400
1881-82	56,400
Average ...	56,850

	Chests in reserve.
1878	48,482
1879	31,622
1880	25,183
1881	21,752
Estimate for December 31st, 1882	15,084

Depletion of reserve.

140. This process of depletion cannot continue indefinitely. An exceptionally good crop may, indeed, again replenish the reserve. But we cannot rely on a fortuitous circumstance of this sort. An average crop, or, at all events, a succession of average crops, will oblige us to resort to one of two alternatives. We shall be forced either to increase the production, or to diminish the amount offered for sale.

Difficulty of extending cultivation.

141. The reports from the local authorities generally point to the conclusion that any considerable extension of cultivation, either in the Behar or the Benares Agency, is not to be anticipated. In order to maintain the existing cultivation it has recently become necessary to raise the price paid to the cultivators for crude Opium from Rs. 4-8 to Rs. 5 a seer. The increased cost of production resulting from this enhancement of price is estimated at £215,000.

Question of enhancement of price discussed.

142. Whether, in the event of its being necessary to diminish the quantity of Opium offered annually for sale, we may expect to be recouped any loss of Revenue by increased prices, depends largely upon the competition of the Persian and the indigenous Chinese drugs.

Competition of Persian Opium.

143. The quantity of Opium exported from Persia has increased during the last 10 years from 870 to 7,700 chests. It is believed that the cultivation of the poppy in Persia has not as yet reached its natural limits. The quality of Persian Opium is being gradually improved. Still, the evidence afforded by the Chinese Consular reports tends generally to show that Indian Opium is preferred to Persian by those who can afford to pay for the former of the two drugs. On the whole it may be said that the competition of Persian Opium constitutes a danger to the Indian Revenue, but that the danger is not at present very serious.

Competition of Chinese Opium.

144. Turning to the question of the competition to be apprehended from the indigenous Chinese drug, a careful perusal of the Consular reports enables us to arrive at the following conclusions :—

(1) The production of Opium in China has greatly increased of late years and is still increasing. There is no reason to suppose that it has as yet nearly reached its natural limit. Consequent on the increased production and on the greater cheapness of the Chinese drug, there is a danger that amongst the poorer classes of the population, at all events, the Indian drug will be displaced by the Chinese.

(2) Up to the present time the Indian drug has been able to hold its own amongst the wealthy classes by reason of its superior quality. The quality of some of the Chinese drugs is improving, but even the best are still inferior to Indian Opium.

Summary of conclusions on a review of the economic aspects of the question.

145. To sum up this brief review of the economic aspects of the question, the facts which I have so far elicited,—that is to say, the necessity of raising the price paid for crude Opium, the difficulty of extending the area under cultivation in India, the necessity which may be forced on us of reducing the quantity of Bengal Opium annually offered for sale, and the increase in the production and the improvement in the quality of the Persian and Chinese drugs,—all point to one conclusion, namely, that it is by no means improbable that the Opium Revenue may undergo some diminution. Although the amount of Revenue derived during the last four years has been very large, it would be unwise to count upon its continuance at so high a figure. There has quite recently been a sharp fall in the price realised for Bengal Opium at the Calcutta sales, and the Malwa trade has for some while been very stagnant. To this extent, therefore, the Opium Revenue may be said to be precarious.

Consideration of the question from the moral point of view.

146. I have so far dealt with questions of fact. I now come to a much more difficult branch of the question. I must now leave the domain of fact and approach that of sentiment and morality, which opens a wide field for difference of opinion.

The problem is eminently a practical one.

147. A great deal has, from time to time, been written as to the effects of Opium, both on the individual and on the Chinese nation. I do not think that anything is to be gained by discussing this subject at any length. That Opium when used in moderation for medicinal purposes is beneficial; that in China it is very often used to excess; that when used to excess its effect is baneful; and that it would be better for the Chinese if they smoked less Opium,—are truisms which may be generally accepted.

The common-places on the subject may, to some extent at all events, be admitted by all parties. Even if it be conceded to the Anti-Opium Society that the effects of the drug are to the full as baneful as they allege, we should, whether from the Chinese or the Indian point of view, be no nearer than at present to the solution of the problem which we have in hand. It is useless to discuss what ideal condition of things would commend itself either to Chinese or to Indian statesmen. The problem we have to treat is eminently a practical one.

Direct connection of Government with the trade.

148. I pass on, therefore, to the consideration of the two points as to which the position of the Government of India has been especially attacked.

149. The first of these is the direct connection with the trade. It may be readily admitted that the Government of India being, as regards Bengal, manufacturers and dealers in the drug, are placed in a somewhat invidious and false position. But when we are invited to discontinue the present connection with the trade, we naturally ask, what is the precise nature of the alternative policy which is to be adopted? Does that policy merely involve the cessation of the connection between the Government of India and the Opium trade in Bengal? Or does it aim at a total suppression of the Opium trade between India and China? I think it may be inferred that the direct connection is merely regarded as a specially objectionable incident, and that the ultimate aim of the policy advocated by those who are opposed to the existing system under which the Revenue is raised in Bengal, is to prohibit the trade altogether.

150. In point of fact, in order to be consistent, those who object to the existing order of things in respect to Opium must of necessity go further than merely condemning the direct connection between Government and the trade. The avowed object of their policy is to stop the alleged demoralisation consequent on the extensive use of Opium in China. No one can for one moment pretend that the mere cessation of the direct connection between the Indian Government and the manufacture of Opium would of itself in any way tend to bring about this result.

A consistent Anti-Opium policy must aim at a total suppression of the trade.

151. The economic objections to the manner in which the Opium Revenue is raised, whether in Bengal or Bombay, may be admitted to be considerable. In the former case the Government itself engages in private trade,—a course which is open to obvious objections. In the second case, a very heavy export duty is imposed. In both cases the course adopted interferes with and restricts the free production of and trade in Opium. It cannot be doubted that it would be profitable to any private trader to pay for crude Opium a much higher sum than is now paid by the Government to the cultivators of Bengal. If, therefore,—supposing such a thing to be possible,—no restriction were placed upon the cultivation of the poppy, and if at the same time the export duty were taken off, it is certain that an immense stimulus would be given to the production of Opium, and that China would be flooded with the Indian drug. Thus, in direct proportion to the removal of the economic objections, the moral objections would be intensified in degree. So long, therefore, as the plea of the Anti-Opium Society is confined to the contention that the Indian Government should cease its direct connection with the Opium trade, it may be said, with perfect truth, that their policy is based purely on theory. Not only can it effect no practical good, but it almost certainly would do a great deal of harm. It would increase the consumption of Opium in China. It would, by cheapening the price of the Indian drug, cause the poorer classes of Chinamen, who now smoke native Opium, to substitute Indian Opium in its place. It would, moreover, encourage the use of Opium amongst the native population of India, some of whom, notably the Sikhs, are already addicted to the practice; and it would result in a diminution of the food-supply of India by reason of the cultivation of the poppy over tracts where cereals are now grown. If, therefore, the policy is to be not merely theoretical, but is to be productive of some practical good, it must aim, not only at the disconnection of the Indian Government with the manufacture and sale of Opium, but at the total suppression of the cultivation of the poppy. I shall presently (paras. 174—179) revert more particularly to the financial aspects of this question.

Economic objections to the present system.

152. As to whether it be more immoral for the Government to be directly connected with the manufacture and sale of Opium, than merely to derive a Revenue from the manufacture and sale of the drug by others, that is a point on which, without doubt, much difference of opinion may exist. I do not think that any useful object would be gained by a discussion of this point, or of the cognate question of whether, in Mr. Fawcett's words, there is "much "difference between raising Revenue from Opium and raising 26 millions as we "did in this country (England) to a great extent out of the intemperance, im-"providence, and vice of the people."

Morality of the direct connection.

153. I turn to the second point, in respect to which the position of the Government of India has been especially attacked—namely, the policy pursued towards the Chinese Government in relation to the Opium trade.

Relations with China.

154. It has been stated that the treaty under which Opium is admitted into China was extorted from the Chinese Government; that the Chinese Government is now forced to admit Opium; and that it is both able and willing to put a stop to the consumption of Opium in China, if the foreign import trade were stopped.

155. These are grave accusations. I think, however, that I can show that it is wholly incorrect to say that the article in the Treaty of Tientsin, which provided for the admission of Opium, was extorted from the Chinese Government; that Indian Opium is in no way forced upon China, but that on the contrary, the Chinese Government derives a large Revenue from the import trade, which it is very unwilling to sacrifice; that the statement that the Chinese Government is willing to put down the use of Opium must be received with great qualifications; and that irresistible evidence is forthcoming to show that it is not able to stop it, even if its willingness to do so be freely admitted.

Erroneous statements on this subject.

The Chinese were not forced to admit Opium when the Treaty of Tientsin was signed.

156. I need not go into the history of the various wars which have from time to time been waged with China, or examine whether the policy of those wars was justifiable or the reverse. It may be very true that the Chinese were with difficulty got to assent to the terms of the Treaty of Tientsin. There is nothing very remarkable in the fact that at the close of a war the vanquished party should accept, with great reluctance, the terms on which the victors insist. But as regards the particular point which we are now discussing, namely, the admission of Opium into China, we have excellent evidence to show that it is wholly incorrect to say that this provision of the Treaty was extorted from the Chinese. Mr. Lay, who was Chinese Secretary to Lord Elgin's Mission, and who personally conducted the Tariff negotiations, has specifically stated that "the Chinese Government admitted Opium as a legal "article of import, not under constraint, but of their own free will deliberately." Mr. Laurence Oliphant, who was Secretary to the Mission, has confirmed Mr. Lay's statement, and has added that he informed the Chinese Commissioner that he had "received instructions from Lord Elgin not to insist on the "insertion of the drug in the Tariff, should the Chinese Government wish to "omit it. This he (the Chinese Commissioner) declined to do. I then proposed "that the duty should be increased beyond the figure suggested in the Tariff; "but to this he objected, on the ground that it would increase the inducements "to smuggling." Mr. Lay's and Mr. Oliphant's statements appeared in the *Times* of October 22nd and October 25th, 1880. Their evidence, I venture to think, is a conclusive answer to the charge that the clause of the Tientsin Treaty, under which Opium is admitted into China, was extorted from the Chinese.

Neither are they forced to admit it now.

157. No less conclusive is the evidence that the foreign drug is not now forced on the Chinese Government, but that, on the contrary, it would view with dislike the cessation of a trade from which it derives a large Revenue. The account which Sir Thomas Wade gives of a conversation he recently held with the Chinese Ministers affords remarkable testimony on this point. In a telegram to Lord Granville of February 7th, 1881, he says: "I went to the "Yamên on the 16th to speak of various matters. Four Ministers received "me. Adverting to Opium, I observed that the authorities in some places were "taxing Opium, native and foreign; in others, were trying to increase the sale "and consumption of both. Without at all denying the right of the Chinese "Government to do as it chose, I should wish to know which course the Go-"vernment approved. They said the question was embarrassing. The Chinese "Government would be glad to stop opium-smoking altogether, but the habit "was too confirmed to be stopped by official intervention. No idea of abolish-"ing the trade at present was in the mind of the Government. Alluding to "the desire of well-disposed people at home to see England withdraw from "the trade, I asked if it would be of any use to diminish yearly the ex-"ports from India. The Indian Government might be thus enabled to pro-"vide otherwise for loss of income. They said, so long as the habit exists, "Opium will be procured, either from India or elsewhere. Any serious attempt "to check the evil must originate with the people themselves. The measure "I suggest would affect Chinese Revenue, but would not reach the root of the "mischief."

The Chinese Government is unable to stop the use of Opium.

158. I turn now to the question of whether the Chinese Government is both able and willing to stop the use of Opium.

159. Numerous edicts, couched in the most peremptory terms, have been from time to time issued to prohibit the use of Opium and the cultivation of the poppy. In issuing these decrees, the Chinese Government may be credited with a certain amount of sincerity. Without doubt, the Emperor of China, his Ministers, and the most enlightened portion of the population of China, deplore the extensive use of Opium. If they could afford the loss of Imperial Revenue consequent on the importation of foreign Opium,—if they could exercise any real control over the numberless corrupt officials who earn a livelihood from the use of the native drug,—if they thought it were possible to deal with a great social evil of this sort by legislation, and to coerce a large part of the population of a vast empire into a groove contrary to their inveterate habits and the current of their every-day life,—it is not improbable that they would gladly see the use of Opium abandoned. But, whatever be the views which the Chinese Ministers

entertain on this question in the abstract, nothing is more certain than that they, equally with the Indian Government, would be embarrassed by the loss of Revenue which would be caused either by a cessation of the foreign trade in Opium, or by the suppression of the manufacture and sale of the drug in China; that, save on rare occasions, when some specially energetic official may have produced a temporary effect, they have up to the present time never earnestly endeavoured to check the use of the drug; and that they recognise, both by word and deed, their complete inability to do so. A mass of evidence from the Consular reports might be adduced in support of these conclusions.

Practicability of closing the direct connection with the trade.

160. I now proceed to deal with the final branch of the subject, namely, the practicability of adopting any measures which shall render the connection of the Government of India with the Opium trade in Bengal less direct.

Opinions on the occasion of the former discussions.

161. This subject has been already frequently under the consideration of the Government of India. It was fully discussed in 1858, and again in 1864, when Sir Charles Trevelyan recorded his opinion in favor of a change of system. "The Opium monopoly," he said, "forms no exception to the general "category of Government monopolies. It will be found, when the trial is "made, that its abolition will be attended with the same good effects as the "throwing open of the India and China trade and the abolition of the Bengal "salt monopoly." In other words, Sir Charles Trevelyan looked at the question from a purely economic point of view. He did not in any way contemplate interfering with the cultivation of the poppy. On the contrary the object of his policy was evidently to extend it. It was again considered in 1868, at the instance of Sir William Muir. On the occasion of each discussion the balance of opinion was strongly in favour of the continuance of the monopoly system.

Doubts as to true nature of policy proposed.

162. In attempting to deal with this question, we are at the outset met by the difficulty to which I have already alluded. Is the final object of the policy, which we occasionally are invited to adopt, to be the severance of the direct connection between the Government of India and the Opium trade, and the substitution of private enterprise in the place of the Government monopoly? Or are we to aim at the total suppression of the cultivation of the poppy and of the Opium trade, in so far, at all events, as British India is concerned? It is absolutely necessary to have a clear idea as to which of these two alternative policies is to guide the action of Government. It is difficult, if not impossible, to effect any compromise between them.

Discussion of the question on the assumption that the aim of the policy is total suppression in British India.

163. For the reasons which I have already given, I think it may be assumed that the ultimate aim of a consistent Anti-Opium policy must be to suppress the manufacture and sale of Opium altogether, or, at all events, to limit it to the Native States of India. I proceed, therefore, in the first instance, to discuss the question of abolishing the monopoly on the hypothesis that we are to aim at a total suppression of the trade in so far as Bengal is concerned.

164. It has been alleged that the careful development of the resources of India, combined with economy in expenditure, would provide for any gradual loss of money which the abandonment of the Opium Revenue in Bengal might entail.

Bengal net Revenue.

165. The average net Revenue derived from the sale of Bengal Opium during the last ten years is £4,358,000. During the last three years the average Revenue has been £5,450,000. In dealing with a fluctuating Revenue of this sort it is difficult to speak with great accuracy, but I shall perhaps be not very far from the mark if I assume that the total abandonment of the Revenue derived from Opium in Bengal would cost about £5,000,000.[1]

Stimulus to Malwa trade.

166. This, however, does not represent the whole of the case. On the one hand the cessation of the poppy cultivation in Bengal would probably give a stimulus to the Malwa trade. Malwa Opium, I need hardly say, is manufactured wholly in the Native States of India. We cannot interfere with the growth

[1] I ought to explain that the receipts under the head of *Opium* include (1) the money realised at the Calcutta sales; (2) the receipts from the Malwa pass duty; (3) that part of the sale proceeds of Opium, sold in the Excise Department, which is taken as representing cost price. About one-third of the sale proceeds are credited under *Opium*, and about two-thirds under *Excise*. The average net Provincial receipts for the last ten years on account of the sale of Bengal Opium, which have appeared under *Excise*, amount to £381,000. It is impossible to say how far these receipts would be affected if the monopoly were abolished. Probably Malwa would, to a certain extent, take the place of the Bengal drug; but if this were the case, the Imperial Government would lose the amount of the pass-duty upon the number of chests consumed locally. All that can be said on this subject is that some loss would certainly be incurred, both by the Imperial and Provincial Governments, over and above the £5,000,000 mentioned above.

of the poppy in those States, neither could we prevent Opium being exported from them without maintaining a costly preventive line, the establishment of which would be open to great and obvious objections. It is quite impossible to frame any estimate of the degree to which we should recoup any loss of Revenue by increased receipts on account of export duty; but it may be predicted with certainty that the total loss would not nearly be recouped.

167. On the other hand, whilst the operation of the causes which would tend to mitigate the loss of Revenue are uncertain, the same cannot be said of those which would tend in an opposite direction.

Aggravation of Exchange difficulty.

168. In the first place, the diminution of the export trade from India to China would aggravate the exchange difficulty. It is almost needless to observe that one of the elements which regulates exchange between England and India is the balance of trade between the two countries. The China trade, however, exercises a very important influence on exchange. England owes China a large sum of money annually, which represents the excess of imports from China over exports from the United Kingdom. China, on the other hand, owes India a large sum annually, mainly for Opium.* This debt is, in a great measure, paid by transferring to India a portion of England's debt to China. If, therefore, the export trade from India to China were diminished by, say, £4,000,000 a year,[1] it is clear that a very depreciatory influence would be exercised on exchange between India and England. It is impossible to estimate the loss which would thereby be caused to the Indian Treasury, but it cannot be doubted that it would be considerable.

* In the last year (1880-81), for which the returns are complete, the balance of trade in favor of India was £11,282,555.

Neeessity of providing for present staff.

169. In the second place, provision would have to be made for the present staff employed under the Bengal monopoly system, either by pensions, gratuities, or the bestowal of other places under Government. This would probably result in a heavy charge being thrown on the Government for some years.

170. For the sake of argument, however, I leave out of account these important but uncertain factors. I assume that the loss to the Indian Government would, as stated above, be £5,000,000.

The total loss of Revenue in Bengal could not be occupied.

171. It cannot be too clearly understood that neither by any means tending to develop the resources of the country, nor by any increase of taxation which is practically within the range of possibility, nor by any reduction of expenditure, could the Government of India in any adequate way at present hope to recoup the loss which would accrue from the suppression of the poppy cultivation in Bengal.

The sacrifice of the Bengal Opium Revenue would render India insolvent.

172. As regards the development of which the resources of the country are capable, it is to be observed that a great deal has been done in the last thirty years. Yet it may safely be stated that those resources are as yet only half developed. Hopes are now entertained that a stimulus may be given to the rapid construction of railways through the agency of private enterprise; but it is evident that, however successful this policy may eventually prove to be, some years must elapse before its full effect can be produced. Again, it is a notorious fact that any aggregate increase of taxation is open to the strongest economical and political objections; whilst, in respect to some branches of the fiscal system, a reduction of taxation is very necessary. As regards any economy which may be effected in expenditure, it is to be observed, in respect to the civil branches of the service, that, even if the most radical reforms which have from time to time been suggested, were carried into effect, any economies in this direction could bear but a slight proportion to the Revenue which would have to be abandoned if the poppy cultivation in Bengal were altogether suppressed, whilst, on the other hand, it is certain that, as civilisation advances, new wants will be developed, which will involve an increase of civil expenditure. As regards military expenditure, proposals have already been made to the Secretary of State which, if they receive the sanction of Her Majesty's Government, will result in considerable economy. No economies in the military branches of the service could, however, be effected, which would in any adequate manner balance the total loss of the Bengal Opium Revenue, without incurring political dangers of the most serious description. It is the duty of the Government of India to speak very plainly on this

[1] This is allowing £1,000,000, by comparison with the estimate of £5,000,000, for increase in the Malwa trade.

subject. The difficulties of this problem have to be fairly faced. The hard facts of the case, whether from the Chinese or the Indian point of view, have to be borne in mind. Those facts can neither be altered, nor can their significance be attenuated, by any enunciation of abstract principles. It is, therefore, essential that all who are interested in the question should have clearly before their eyes the opinion of those who for the time being are responsible for the conduct of the Indian finances. That opinion, as I venture to formulate it, is that the Government of India is at present quite unable to devise any means by which the loss of Revenue consequent on the suppression of the poppy cultivation in Bengal could be recouped, and that, until such means be devised, the loss of the Bengal Opium Revenue would result in the normal annual expenditure of the Government being greater than its receipts; that is to say, that India would be insolvent. I wish to state this in language which admits of no misapprehension, in order that those who may have to deal with this matter should do so with a perfect knowledge of the facts of the case, and after due warning that any present attempt to abandon the Opium Revenue, whilst conferring a very doubtful benefit on the population of China, would do incalculable harm to the 250 millions of people over whom we rule in India.

And unjust to the people of India.

173. From the language which is occasionally used on this subject in England, I am led to infer that many influential persons, animated by a laudable zeal to benefit the population of China, are perhaps somewhat forgetful of the duty we owe to the population of India. It has been calculated that the average income per head of population in India is not more than Rs. 27 a year; and, although I am not prepared to pledge myself to the absolute accuracy of a calculation of this sort, it is sufficiently accurate to justify the conclusion that the tax-paying community is exceedingly poor. To derive any very large increase of Revenue from so poor a population as this is obviously impossible, and if it were possible, would be unjustifiable. Apart from the practical issues involved, there are, indeed, two aspects of the question from the point of view of public morality. If, on the one hand, it be urged that it is immoral to obtain a Revenue from the use of Opium amongst a section of the Chinese community, on the other hand it may be replied that to tax the poorest classes in India in order to benefit China, would be a cruel injustice, and it is to be remembered that no large increase of Revenue in India is possible unless by means of a tax which will affect those classes. To tax India in order to provide a cure,—which would almost certainly be ineffectual,—to the vices of the Chinese, would be wholly unjustifiable.

Probable loss involved in substituting private enterprise for the present Government monopoly.

174. I turn now to the consideration of the question on the supposition that the ultimate aim of the policy is not the total suppression of the poppy cultivation in Bengal, but merely the severance of the direct connection between the Government and the Opium trade, and the substitution of private enterprise for the Government monopoly.

175. The actual cost of a chest of Bengal Opium, including interest on the capital employed and all indirect charges, is Rs. 421.[1] The average price realised at the Calcutta sales for the last ten years is Rs. 1,280 per chest. The average profit, therefore, realised on a chest of Bengal Opium may be taken at Rs. 859.

Rate of export duty.

176. The next point to be decided is the export duty which a chest of Bengal Opium would stand in the event of this method of deriving Revenue being substituted for the Government monopoly. It is certain that, in order to arrive at a correct conclusion on this point, we must leave a large margin of profit to the exporter. The trade would be very speculative. The risks being great, no one would embark in the trade unless a large margin of profit were left. Moreover, it is probable that a private individual would have both to give more liberal advances to the cultivators, and to pay a higher price for crude Opium, than is paid by Government. The local officers, who have from time to time been consulted, are unanimous in thinking that the security afforded by dealing with Government is an important element in deciding the cultivators to grow the poppy.

[1] I take the average cost of production of Behar and Benares Opium.

No private individuals could offer so good a security. Again, it is quite impossible to foresee the consequences on the China market of the withdrawal of the Government from the trade. Bengal Opium holds its own by reason of its high quality. The Government mark is regarded as a sufficient proof of the purity of the drug. It is almost certain, therefore, that if the manufacture were in the hands of private individuals, the price of Bengal Opium in China would fall. Under these circumstances, I think it is taking an optimist view to suppose that Bengal Opium would stand an export duty of Rs. 600 a chest.*

* The export duty on Malwa Opium is at present Rs. 700 a chest; but it is to be borne in mind that, although the weight of a chest of Malwa and of a chest of Bengal Opium is equal, namely, 140 lbs avoirdupois, or a Chinese *picul* (133⅓ lbs.) *plus* 5 per cent., which is appropriated by the middlemen in the trades as perquisites, the consistence of the different classes of Opium is different. Malwa Opium contains generally from 90 to 95 per cent. of fine Opium; that is to say, that at the lower of these two consistences, it contains 126·128 lbs. avoirdupois of pure Opium. A chest of Behar Opium is of 75° consistence; that is to say, it contains 105·107 lbs. of pure Opium. A chest of Benares Opium is of 70° consistence; that is to say, it contains 98·1 lbs. of pure Opium. A duty, therefore, of Rs. 700 on Malwa Opium is analogous to a duty of Rs. 583 a chest on Behar Opium, or of Rs. 544 a chest on Benares Opium.

Loss roughly estimated at £2,128,000.

177. The average number of chests of Bengal Opium sold in the last ten years (1871-72 to 1880-81) was 49,337. It is very difficult to say what number of chests would be exported if the Government abandoned the monopoly. On the whole, however, I do not think that with a duty of Rs. 600 we ought to reckon on an export of more than 45,000 chests a year. I put forward this estimate under great reserve, for, in dealing with a subject of this sort, any estimate that can be framed must be little more than a conjecture. A duty of Rs. 600 on 45,000 chests would give £2,700,000 a year. The net Revenue derived from Bengal Opium may be taken at about £5,000,000. This figure, however, includes the receipts from the Excise Department on account of Abkari Opium. The average receipts on this account for the last ten years amount to £172,000. The receipts from the Calcutta sales may, therefore, be taken at £5,000,000—£172,000† =£4,828,000. The difference between this figure and £2,700,000, *viz.*, £2,128,000, represents the probable loss which would be incurred from the abolition of the Government monopoly.

† As the Akbari Opium is sold at cost price to the Excise Department, these £172,000 may be entirely left out of the calculation. On the one hand, the Imperial Government would not have to spend this sum of money: on the other hand, it would not receive it. It is, however, to be borne in mind that in addition to the loss of £2,128,000 to the Imperial Government, the Provincial Governments would certainly lose some portion of their Excise Revenue (average £381,000) by the abolition of the monopoly.

Maintenance of a Preventive Establishment.

178. This calculation, however, does not represent the whole of the case. It is certain that, if the change of system under discussion were carried into effect, a large preventive establishment would have to be maintained, and that, even with such an establishment, it would be well nigh impossible to prevent smuggling.

Withdrawal from monopoly would stimulate consumption in China.

179. These considerations lead irresistibly to the conclusion that there is only one way by which the system of levying an export duty might possibly be substituted for the Government monopoly without a financial loss which it would be impossible for the Government of India to afford. As the profit to be derived on each chest of Opium would be considerably diminished, it would be necessary, in order to recoup the loss, that the number of chests produced should be largely increased; and without doubt, if the export duty were very low, production would considerably increase. In other words, the Government of India, by withdrawing from the trade, would probably intensify the evils which the Society for the Suppression of the Opium Trade so much deplore. The Chinese market would be glutted with Indian Opium at a relatively cheap price.

180. I venture to think that this is a conclusive argument against any change of system. We are in this dilemma, that if the average production of Opium fell off, a loss of Revenue would be involved, which it is out of the question that the Government should incur; and, on the other hand, if the hazardous experiment which we are invited to try should succeed, the results would be, not only to increase the amount of opium-smoking amongst the Chinese, but to run a great risk that its use in India would be much extended.

The Government is opposed to withdrawal.

181. For these reasons the Government of India deprecates any attempt to withdraw from the monopoly. The system at present works well. It cannot be too clearly understood that any change whatsoever would involve a great risk to the Indian Revenue, whilst it would almost certainly not contribute to the objects which the Society for the Suppression of the Opium Trade have in

view. In fact, the greater the degree of success which attends the experiment, the less will the objects which the Society have in view be attained.

182. Although, however, the actual financial situation of India precludes for the present any attempt to tamper with the Opium Revenue, it does not necessarily follow that this state of things should always prevail. Reform in other branches of the fiscal system must for the present engage the attention of the Government. Again, money must be found in one form or another to push on that development of the country which a leading member of the Anti-Opium Society has himself recognised must be a preliminary to any reform in the system under which the Opium Revenue is collected. Without taking too optimist a view of the future, we may be permitted to hope that fiscal reform, accompanied by as rapid an extension of railways and canals as the financial exigencies of the situation will permit, may possibly bring within the scope of practical politics plans which cannot now be considered as otherwise than visionary. If we are ever to abandon the Revenue now derived from the poppy cultivation in Bengal, by far the wisest plan will be to maintain the monopoly in the hands of the Government. From the administrative point of view the suppression of the cultivation in Bengal presents but few difficulties. We have only to diminish the price paid for crude Opium, and the cultivators would substitute other crops in the place of the poppy. If, however, private enterprise be allowed to occupy the field, vested interests will be created, and the difficulties of ultimately dealing with the question will almost certainly be enhanced. In the meanwhile the best hope of ever carrying out the policy, which commends itself to the Society for the Suppression of the Opium Trade, will be to derive for the present as large a Revenue as possible from Opium and to utilise it to the best advantage. It is just within the range of possibility that if this policy be adopted, it may ultimately place the Government of India in such a situation as would enable it to suppress the cultivation of the poppy in Bengal altogether, should it be thought desirable to do so.

It is just possible that at some future time the Government may be able to deal with the question.

183. One further point demands attention. It cannot be doubted that Native opinion in India would strongly resent any additional burdens being placed upon the tax-payers with a view to the abandonment, either whole or partial, of the Opium Revenue. It is, moreover, more than probable that the views of the British Government on this subject would be misunderstood. "There "must," a Native newspaper said a short time ago, "be some selfish motive at "the bottom of the movement made in England for the suppression of the Indian "Opium trade." No doubt an opinion of this sort is very foolish. The high motives which guide the action of the Society for the Suppression of the Opium Trade cannot for a moment be doubted. However much we may consider that the views they express do not take sufficient account,—whether from the Chinese or Indian point of view,—of the practical difficulties connected with the problem they have set themselves to solve, no reasonable person can fail to respect their motives. I trust that I have said nothing which can in any way be construed in an opposite sense. Without doubt the gentlemen who take an active part in the agitation against the Opium trade would be the first to protest if they thought the Indian ryots were suffering from any grievous injustice. But, on the other hand, it cannot be doubted that the opinions foreshadowed in the Native print from which I have quoted above are prevalent in India; that they would find louder and more frequent expression if it became generally understood that there was any serious intention of moving in the direction proposed by the Anti-Opium Society; that, even supposing England were to award a considerable compensation to India, it is exceedingly improbable that such compensation would adequately meet the loss involved in the abandonment of the Opium Revenue; and that, in consequence, a sense of injustice would be engendered amongst the Natives of this country, who would consider either that their interests had been sacrificed from selfish motives, or, at all events, that, in our regard for the Chinese, we had done an injustice to our own subjects. The fact that the measure would contribute to alienate from us the feelings of the Natives of India, is certainly an element which ought not be neglected in dealing with this question.

Native opinion on the subject.

184. I now proceed to deal with the question of the degree of reliance which should be placed on Opium in balancing our Estimates of Revenue and Expenditure.

The Opium Estimate.

185. The Opium Revenue was this year estimated at £6,500,000 net. In comparing this estimate with the actual net Revenue of past years, a great deal depends on the number of years for which an average is taken. The average net Revenue for the last ten years (1871-72 to 1880-81) is £7,052,000; for the last five years £7,441,000; for the last four years £7,731,000; for the last three years, £8,135,000; and for the last two years, £8,351,000. The Revenue has been rising during the last four years. The result is that the further we go back the lower the average becomes. But whatever standard of comparison be adopted, there can be no question that at present £6,500,000 net is an under-estimate.

186. This estimate has during the course of the year formed the subject of a good deal of discussion and criticism. The matter has been carefully reconsidered by the Government, and I am now in a position to announce the result of our deliberations.

Under-estimate of Opium in former years.

187. In dealing with other items of Revenue and Expenditure, the Budget Estimate for the coming year is usually based on the Regular Estimate of the year about to close, due allowance being, of course, made for any exceptional circumstances which may have occurred in the current year, or which may be expected to occur in the coming year. The Opium estimate has, however, received exceptional treatment. A much wider margin has been left for a possible diminution in receipts than would be considered necessary in dealing with other branches of the Revenue. It is generally recognised that some extra amount of caution should be adopted in framing this estimate, but it has been urged that, under present circumstances, an estimate of £6,500,000 errs on the side of excessive caution, and that this sum is far less than we may expect to receive after all reasonable deductions have been made from the actuals of the last few years.

Is it safe to take off taxes in reliance on Opium?

188. Whether, however, we take the Opium estimate at £6,500,000 and reduce our nominal surplus by the amount of Revenue which we really expect to derive, or whether we take an Opium estimate of any other higher figure, say £8,000,000, and increase our nominal surplus by £1,500,000, is, relatively speaking, a matter of secondary importance. The really important issue involved is to what extent we may take off taxes or incur additional expenditure in reliance upon Opium.

Average receipts since 1871-72.

189. Before proceeding to answer this question, I invite attention to the figures given in the following table:—

Year.	Bengal.			Bombay.	Total Net Revenue.
	Number of chests sold.	Price per chest.	Net Revenue.	Net Revenue.	
		Rs.	£	£	£
1871-72	49,695	1,388	5,305,402	2,351,811	7,657,213
1872-73	42,675	1,386	4,259,162	2,611,261	6,870,423
1873-74	42,750	1,266	3,584,758	2,738,841	6,323,599
1874-75	45,000	1,207	3,264,266	2,950,817	6,215,083
1875-76	45,510	1,260	3,707,170	2,545,690	6,252,860
1876-77	47,240	1,270	3,334,338	2,946,475	6,280,813
1877-78	49,500	1,266	3,773,764	2,747,692	6,521,456
1878-79	55,506	1,225	5,319,459	2,391,212	7,700,671
1879-80	59,100	1,170	5,112,325	3,139,345	8,251,670
1880-81	56,400	1,362	5,926,836	2,524,458	8,451,294
1881-82 (Regular Estimate)	56,400	1,324	5,621,500	2,216,500	7,838,000

Increased receipts due to Bengal sales.

190. It will be observed that the increased receipts of the last few years (except in 1879-80) have been mainly derived from the Bengal sales, and not from the pass-duty on Malwa Opium. The receipts on account of Malwa Opium have varied according to no very precise law. The high receipts (£3,139,345) for 1879-80 were, it is believed, largely due to over-speculation. Turning to Bengal Opium, it will be noticed that the great increase in the receipts has

taken place during the last four years, and that this increase has been contemporaneous with the period during which a relatively large number of chests has been offered for sale.

Future prospects.

191. We know, from the present state of the reserve (*vide ante*, para. 139), that we shall be able to offer 56,400 chests for sale during the whole of the financial year 1882-83. But we cannot speak with any confidence as to our ability to continue the sale of 56,400 chests annually after the close of the year 1882-83. When the yield of the poppy crop now in the ground is known, the desirability of giving the year's notice required by custom of a diminution in the number of chests of Bengal Opium to be offered for sale in 1883-84, will be matter for consideration. The position of affairs, therefore, is as follows. The net receipts from Opium for the year 1881-82 are now estimated at £7,838,000, being £613,000 less than the actuals of 1880-81. This considerable difference shows the necessity for caution. Further, we must look forward to the possibility of a diminution of the Revenue during the year 1883-84, by reason of a smaller number of chests than heretofore being offered for sale.

192. In answering, therefore, the question of how far we may safely take off taxes in reliance on the Opium Revenue, a great deal depends on the nature of the tax we take off. If we abandon a source of Revenue which involves a permanent and absolute loss of money, and which, moreover, from whatsoever reason, it would be difficult, in the event of the Opium Revenue failing, to restore to its former position, then the course would be open to great objection. If, on the other hand, we reduce a duty with a fair hope that the reduction will increase consumption, and thus, after a while, recoup us for any loss, and if, moreover, the duty can, without any great fiscal disturbance, be re-imposed in the event of the Opium Revenue falling off, then the reduction of taxation would be unobjectionable. The Salt Duty falls within the latter of these two categories.

193. It has been decided, therefore, to estimate the net Opium Revenue in 1882-83 at £7,250,000 and simultaneously to afford some substantial relief to the tax-payers in the shape of a reduction of the Salt Duty. This estimate leaves a margin of £588,000 as compared with the Regular Estimate for the current year, and is £1,201,000 below the actual receipts of 1880-81. Bengal prices, as I have already remarked, are falling, and the Malwa trade is unusually depressed. Under these circumstances it would not be prudent to take a higher estimate than that which is now proposed.

X.—The Salt Duty.

The Salt Duty.

194. If the policy which has been pursued by successive Governments of India for the last 12 years in respect to Salt be considered as a whole, it cannot be doubted that that policy has been eminently successful. The duty has in the aggregate been considerably reduced, yet the net Salt Revenue, which in 1868-69 stood at £5,176,000, stands, according to the Regular Estimate of the current year, at £6,809,000.[1] In Sir John Strachey's words, it has been "found "financially more profitable to levy the Salt Duty at a moderate rate on a "maximum consumption, than at a high rate on a restricted consumption."

General success of past policy.

195. There have, indeed, been some disadvantages to counterbalance the advantages which the policy has bestowed on the country in general. Whilst the inhabitants of Bengal and Northern India have been relieved of taxation, those of Madras, Bombay, and the Native States of Rajputana and Central India have been obliged to pay a higher price for their salt. The number of persons who have been relieved of taxation has, however, been numerically larger than the number on whom additional taxation has been imposed.

Rates of duty now levied.

196. The actual situation is as follows. A duty of Rs. 2-8 is levied all over British India, except on salt imported by sea into, or manufactured in, Bengal and on salt consumed in the trans-Indus districts of the Punjab and in Burma. In Bengal the tax is Rs. 2-14 a maund. In the trans-Indus districts of the Punjab, salt is consumed which is produced at the Kohat mines, and on which a duty varying from $2\frac{1}{2}$ to 4 annas a maund is levied. A preventive line extends for some 320 miles along the Indus. In Burma the duty is only 3 annas a maund.

Advantages of reduction.

197. The advantages to be gained by a reduction of the Salt Duty are twofold. In the first place, it is exceedingly desirable to reduce the price of a

[1] See Statement X. This figure is what the Regular Estimate would be, supposing no change to be made in the rate of duty.

necessary of life which is used by the poorest classes. In the second place, the general financial situation will, as I shall presently show (para. 201), be much strengthened.

Levy of general rate of Rs. 2 a maund.

198. We propose, therefore, to reduce the Salt Duty to Rs. 2 a maund everywhere except in Burma and the Trans-Indus Districts of the Punjab. The differential duty of 6 annas now levied in Bengal will thus disappear. It is not proposed to make any change in Burma, or, for the present, in the trans-Indus districts of the Punjab.

Increase of consumption consequent on a reduction of duty.

199. The extent to which the reduction of duty will stimulate consumption remains to be considered. The annual average licit consumption in the principal provinces of India per head of population according to the new census, is stated in the margin. The differences are remarkable, but they must be viewed with modifications due to a variety of circumstances. It is especially to be borne in mind that the people of Northern India, both by reason of the climatic influences to which they are exposed, and to the fact that their staple food consists of wheat and pulses, require less salt than those of Southern India. At the same time, the reports of the political officers in Rajputana go to show that the inhabitants of the Native States, in which the Salt Duty was recently enhanced, have greatly diminished the consumption both of themselves and of their cattle. I do not conceive that, in respect to this particular question, the inhabitants of Rajputana differ materially from those of the North-Western Provinces, Oudh, and the Punjab. I am, therefore, led to infer that if the rate of duty were lowered, the consumption of salt in Northern India might be considerably increased. Further, the consumption in Madras has not for the last 12 years reached the figure of 6,693,000 maunds at which it stood in 1868-69 when the duty was raised from Rs. 1-8 to Rs. 1-13 a maund. It is almost certain, therefore, that consumption will be increased by so large a reduction as 30 per cent. in Bengal and 20 per cent. elsewhere. In matters of this sort the wisest policy is generally to act with boldness. A slight reduction in the duty would very probably not reach the consumer.

Provinces.	lbs.
Madras	12
Bombay	10
Bengal	9·1
Punjab	7·5
North-Western Provinces and Oudh...	6
Sind	5

Salt Estimate for 1882-83.

200. We have no reliable data on which to make any very precise estimate of the increase of consumption which may be anticipated. So many disturbing causes have been at work in the last few years, during which the main changes have taken place, as to invalidate the accuracy of any calculations based on the figures which are available. For instance, in Madras the falling off in consumption from 6,215,000 maunds in 1877-78 to 5,988,000 maunds in 1878-79, must have been due not only to the enhancement of price, but also to the loss of life during the famine, which was estimated by the Famine Commissioners at 5 per cent. of the total population. Again, it is difficult to say to what extent the rise in the Salt Revenue of Northern India is due to increased consumption in British territory alone, and to what extent it represents the consumption of salt in the Native States since the abolition of the Customs Line. Further, sufficient time has not yet elapsed to enable a fair estimate to be formed of the normal consumption in the Native States. The old stocks, which remained on hand when the Customs Line was abolished, have scarcely yet been exhausted. On the whole, however, after a careful examination of the detail, I think that we may safely take the Net Revenue for 1882-83 at £5,410,000, being about £1,400,000 below the Regular Estimate for 1881-82 (£6,809,000).[1]

Increase of strength to the general financial position.

201. I have said that, by reducing the Salt Duty, the general financial position will be strengthened. We hope that we shall be able to maintain the duty at Rs. 2 a maund, and we have at present no reason to suppose that we shall be unable to do so. By a return to a higher rate we should, of course, to some extent at all events, sacrifice the main object we have in view, *viz.*, to afford some relief from taxation to the poorest classes. At the same time I should observe that if any unforeseen circumstance, such as a heavy fall in the value of silver, takes place, and if, at the same time, the reduction in the Salt Duty does not result in any considerable increase in the consumption of salt, it would be open to us to return temporarily to a higher rate. This is an expedient to which

[1] See Statement X. This is what the figure of the Regular Estimate would be supposing no reduction to be made in the duty.

the Government would have recourse with great reluctance. I allude, however, to the possibility of its adoption, for it is clear that should an emergency arise of a nature to diminish our other sources of Revenue or to increase our Expenditure, we shall be in a better position to meet it if the Salt Duty is Rs. 2 a maund than if it were levied at a higher rate.

Method of calculating sale price of Government salt.

202. The method adopted for calculating the selling price of salt, exclusive of the duty, has recently been under the consideration of the Government. The general principle which should guide the action of Government in this matter is plain enough. Government salt should be sold at a price which covers the cost of production. If all the legitimate charges consequent on production and manufacture are not included, the State loses money and the private manufacturer of salt is placed at a disadvantage. If, on the other hand, a sum in excess of the legitimate charges is included in the calculation, the consumer really pays a higher price for his salt than is contemplated by the Legislature. This subject was fully discussed in a recent Government Resolution (see *Gazette of India* of January 21st, 1882). I need not, therefore, allude to it in detail. It will be sufficient for me to say that a distinction has now been made between those charges which, on the one hand, are common to all systems of collecting the Revenue,—*i.e.*, Customs, Excise, and Monopoly,—and which arise out of the taxation of salt by the Government, and those which, on the other hand, are incidental to its manufacture. The former will be excluded from the calculation on which the selling price of Government salt is based. The latter will be included.

XI.—The Customs Duties.

The Customs Duties.

203. I now turn to the important question of the Customs Duties. I need not dwell at any length on the history of the reforms which during the last few years have been made in the Tariff. Every member of this Council must be familiar with the nature of those reforms.

The Tariff of 1875.

204. In 1875 the Tariff was carefully revised. The general rate of import duty was reduced from 7½ to 5 per cent., and a duty of 5 per cent. was imposed on foreign raw cotton. Cotton goods, oils, seeds and spices were freed from export duty.

The changes in March 1878.

205. In March 1878 certain descriptions of grey goods were exempted from duty. The duty imposed on foreign raw cotton in 1875 was abolished. Prior to that time the articles liable to pay Customs duty on importation were classified into sixty-two major heads. Twenty-nine of these heads were exempted from duty.

The changes in March 1879.

206. These measures, which were avowedly of a tentative nature, failed to give satisfaction. In February 1879, therefore, a Commission, consisting of Messrs. Hope and Maclean, was appointed to enquire into the matter. Briefly it may be said that the result of their investigations was to show that "the really "proximate source of the complaints which have arisen is the fact that there "is little essential difference between the cloths which have been exempted, and "large classes of cloth, otherwise styled, which have not." It was determined, therefore, to exempt from duty all cotton goods containing no yarn of a higher number than 30s, and a notification to that effect was issued on March 13th, 1879. Thus the matter now stands.

Effect of recent changes on the cotton trade.

207. The effect produced on the cotton trade by the recent changes in the Tariff has been very remarkable, as the following figures of value of imports in lakhs of rupees (tens of thousands of pounds, at Rs. 10 the pound) will show :—

	Grey Piece Goods.		Other Goods.	Total Cotton Goods.
	Free.	Dutiable.		
Average 1875-76 to 1877-78	...	1,078	860	1,938
1878-79	33	832	826	1,691
1879-80	458	581	927	1,966
1880-81	983	372	1,306	2,661
1881-82 (Estimate)	957	285	1,020	2,262

The Revenue from grey goods is fast disappearing.

208. If we look at the figures month by month since April 1879, the results are still more remarkable. The monthly value of the duty-free grey piece-goods has risen from 5 to 82 per cent. (in January 1882) of the total imports of those goods, whilst the value of the dutiable grey piece-goods has declined in a similar proportion,—*i.e.*, from 95 per cent. to 18 per cent. In shirtings only the duty-free percentage in January last was 94 per cent. The character of the trade has, in fact, completely altered. It has adapted itself to the new circumstances, with the result that the Revenue derived from the duty on grey goods is, to use the words of the Bengal Chamber of Commerce, "dying a natural death."

Administrative inconvenience of the present Tariff.

209. There can be no question that, whether from the point of view of administrative convenience or from that of fiscal principle, the actual condition of affairs is open to grave objections. As regards administrative inconvenience, I will not lengthen this Statement by entering into the detail of the numerous complaints which are from time to time addressed to the Financial Department by those interested in the cotton trade, nor of the difficulties experienced by the Custom House officers in giving effect to the present law. I will only remark in general terms that the difficulty of distinguishing between dutiable and duty-free goods is very great. Honest traders are exposed to loss and inconvenience from no fault of their own. A small portion of yarn which is dutiable is occasionally mixed up in the same piece with that which is duty-free. This may happen not only without the cognisance of the importer, who must rely upon the invoice he receives from Manchester, but even without the knowledge of the manufacturer himself. It is difficult in such cases to say whether the apparent intention to evade the duties is fraudulent or accidental. Thus a constant battle is being waged between the importers and the Custom House officers. An attempt has, indeed, been made to frame regulations which shall obviate this state of things. Such regulations are, however, but the most feeble palliatives, and cannot attain the desired object. So long as the existing distinction is maintained, the minute inspection and consequent delays necessary to prevent a practice of evading the duty from springing up, must always be inconvenient to the trade, however considerate the Customs officials may be.

Objections of principle to present Tariff.

210. Next, it is to be observed that, though direct protection to local manufacture no longer exists, the immediate effect of the partial repeal of the cotton duties has been to protect one class of Manchester grey goods against another, the line drawn being an arbitrary one. The manufacture and trade in grey goods for India has, in fact, been forced artificially in one direction by the Customs impost. A very remarkable instance of the effect of the present system is given in a memorial from Messrs. Leech & Sons, which was recently addressed to the Government of India. Messrs. Leech & Sons are Lancashire manufacturers, whose Calcutta agents are Messrs. Kettlewell, Bullen & Co. They set forth that, ever since the year 1834, they have supplied certain grey shirtings to the Indian market marked with a stamp in which they have a proprietary right. These grey shirtings are made of yarns averaging No. 32s,—that is to say, they come just within the dutiable category, which comprises all yarns above 30s. Other manufacturers have been able to produce a different class of goods, and so adapt themselves to the altered condition of the trade. Messrs. Leech, however, are unwilling to adopt a similar course. They are in this dilemma: either they will be driven out of the market by competition with duty-free cloths, or they must change their machinery, which will involve a heavy outlay of capital and a considerable risk of losing the position which they, by their own exertions, have acquired in the trade. The result of this anomalous state of things is that, during the last four months of the year 1880, Messrs. Leech paid no less than 36 per cent. of the total duty collected at the Port of Calcutta on grey goods.

Manchester is protected against India.

211. This, however, is by no means the only anomaly which exists under the present Tariff. Not only is one class of Manchester goods protected against others, but, to some extent, English goods are protected against those manufactured in India. In April 1879 the Calcutta authorities represented that large classes of coarse grey piece-goods were distinguished or decorated by a narrow border, coloured or white, and made of yarn finer than 30s, and that unless this trivial want of uniformity were condoned, they would be deprived of the exemption intended for them. Borders not exceeding 1½ inches in width were

consequently allowed to pass free. Soon afterwards the Bombay authorities asked for a similar favor on behalf of the 4½-inch borders, which are in chief use among the colour-loving population of Western India. The application was granted. The result is that, while imported goods may pass free though containing coloured (or white) borders of fine yarn aggregating over six per cent. the piece, the Indian mills have had to make their borders of yarn paying duty. The disadvantage to them was, perhaps, not very heavy, but it has helped to induce them to begin to dye and double the yarn made by themselves. The Bombay Commissioner of Customs in a recent report stated that "yarn dyed and doubled in Bombay is now sold at prices as good "as, or better than, those realised by imported yarn of similar quality. The duty "is saved, and if the experiment is found profitable, the industry will extend."

Injustice of taxing white and coloured goods.

212. The defects in the present Tariff which I have so far indicated apply mainly to grey goods only. They could, for the most part, be rectified by the abolition of the duty on those goods. I do not know, however, on what principle the taxation of white and coloured goods can be justified if grey goods are exempted from duty. On this point I invite attention to the following observations of the Bengal Chamber of Commerce. In a letter dated 17th January 1880, the Committee of the Chamber says :—

"Another anomaly is that white and coloured goods made of 30s yarn or under, and coloured yarns of 30s and under, are not admitted free like grey cloths and grey yarns. The intention which Government had in view, in taking its first steps towards the reduction of these duties, was no doubt to remove the protection which our local mills were supposed to enjoy, and it was not thought that their production could possibly compete with anything but certain grey goods. There is no doubt, however, that the Natives do largely bleach and dye goods and yarns for themselves all over the country; and it therefore comes about that importers, who devote themselves more exclusively to white and coloured goods, are handicapped to the extent of the duty. There is no apparent reason why an importer should not be allowed to bleach or dye a piece of grey shirting made of 30s yarn, or under, if he chooses to do so, because there is no duty on colour *per se*. The duty on dyed yarn, for instance, is charged only upon the grey weight and not upon the dyed weight. What practical difference, therefore, can there be to the customs whether 30s yarn is dyed or not, and *pari passu* what difference can be drawn in such a case betwixt yarn and goods made of such yarn, whether grey, coloured, or bleached?

"The Committee submit that there are strong and weighty reasons why what appears to them a substantial grievance should be removed. It is seen how the trade in duty-free grey goods and yarns has developed, and it seems only right and fair that merchants who devote themselves to the importation of white and coloured goods should be put in a position to extend their efforts in similar lines. It can be shown that even now many important classes of goods under these denominations could be imported made of duty-free yarns, and there is no reasonable doubt that the variety could be largely extended were the duty removed."

The General Import Duties.

213. I now turn from the cotton duties to a consideration of the general import duties. The Calcutta Trades Association in March 1879, and again recently, urged with much force the many anomalies in the existing system under which these duties are levied. In a letter of February 10th, 1882, the Association characterises the duties as "protective, capricious, and opposed to economic prin-"ciples," and adds that "while harassing to the importer, they yield a Revenue "so insignificant as hardly to cover the cost of collection when the larger sources "of Revenue (*i.e.*, the Cotton Duties) are removed."

214. The Tariff of 1875 was complete in itself for the purposes for which it was designed, but the practical declaration on March 18th, 1878, that a duty was indefensible if it either was *at all* protective or did not yield a sum absolutely as well as relatively large, introduced two disruptive forces into a machine not constructed to meet them, and necessarily shattered it.

The duties are protective.

215. The effect of applying the protective objection is well illustrated by the following extract from the speech of Sir William Muir (then Financial Member of Council) on the Tariff Bill, when before the Legislative Council on August 5th, 1875. "If Honourable Members," he said, "will cast their eye down the "import schedule, they will find hardly any article which, in consequence of "the vast area and varying conditions of our soil and climate, cannot be more "or less produced in some part of our dominions." Apparel of many kinds, hardware, jewellery, innumerable manufactures of metal, provisions and stores of many kinds, spices, sugar, tea, tobacco, with raw silk and fabrics of silk and wool, are all made in India, some to a large extent, and every import duty on them is protective. On what principle, again, are silk and woollen goods, or goods having cotton mixed with silk or wool, to be denied the exemption accorded

to cotton goods? "The duty on *Woollen Fabrics*," the Calcutta Trades Association rightly argues, "must, if only for the sake of consistency, follow the cotton duties."

And yield only a small Revenue.

216. The effect of applying to individual dutiable items the objection of small receipts is equally destructive. Under the Tariff before 1878, the heads fitted into each other, so that articles of the same general nature were taxed under one designation or another, and disputes were avoided. But the exemption of twenty-seven main heads on March 18th, 1878, introduced endless confusion and inconsistency, since certain heads were freed which were really parts of, or connected with, others left dutiable. Thus, the freed head of "Chemical pro-"ducts and preparations" overlaps the dutiable one of "Drugs and Medi-"cines." "Seeds" are in some cases also "Spices," "Drugs," or "Provisions," while both "Oils" and "Fruits" overlap "Provisions," the first-named articles in each case being alone exempt. "Oils" also overlap "Drugs" and "Perfumery." A carriage may be imported duty-free, but all the principal materials for building one in India are dutiable. The glass panels of a sideboard and the plates of a mirror are dutiable as "Glass," but the woodwork of the one and the gilt frame of the other are exempt as "Furniture." Manufactures of leather are free, but a leather portmanteau is dutiable because it is fitted with a metal lock. Spades are classed as agricultural implements and are thus exempted from duty, but shovels are dutiable. A garden engine is free, but a syringe, used for exactly the same purpose, is dutiable. Again, there are many heads still dutiable which seem to have just as good claims to exemption, whether in respect of yielding little duty, or on their own merits, as those which were exempted in 1878. Stationery, for instance, paid only £5,350 in 1880-81, of which the chief part came from schoolboys' slates. In the same year shells and cowries paid £1,102, corks £1,600, gums £3,237, and paints £8,840.

Raw material is taxed.

217. Another objection to some of these duties is, that the raw materials of industry and articles contributing to production are taxed. Dyes, ivory, paints, colours and painters' materials, and, above all, unwrought metals, are illustrations of this objection.

Further practical objections.

218. Nor are these the only objections to the existing Tariff. Many practical difficulties arise in giving effect to the law as it now stands. Of these difficulties I may mention a few examples.

Import of articles by post.

219. *First*, comes that of dealing with dutiable articles imported by letter post. There is no agency, except in the Presidency towns, by which the duty can be fixed and levied on the contents of letters; but the Calcutta Trades Association reasonably objects to the levy of duty at the Presidency towns alone. The objection might be mostly got over by exempting jewellery from duty, but it has no better claim to exemption than a dozen other articles.

Special claims for exemption.

220. *Secondly*, come the special claims for exemption in individual cases, such as organs and painted windows for churches, mess necessaries, volunteer uniforms, gas and water pipes, and many other articles. There are always a dozen reasons, and occasionally some pressure, in favor of these exemptions, and any general rule can hardly be maintained.

Difficulties of definition.

221. *Thirdly*, difficulties of definition are great, and lead to much minor injustice. The Financial Department had not long ago to issue elaborate orders explaining to Customs officers the difference between machines and machinery.

Interference with trade, &c.

222. To sum up this branch of the subject, I submit that the General Import Duties, which are still levied on thirty-one main heads, comprising many hundreds of items, not only are open to the numerous economic and practical objections which I have already enumerated, but also cause an amount of friction, scrutiny, and interference with trade quite incommensurate with the net Revenue they produce.

General Import Duties open to great objections.

223. The arguments in favor of abolishing the General Import Duties are even stronger than those which may be adduced in respect to the abolition of the Cotton Duties. The maintenance of the former, if the latter are to be abolished, would, from every point of view, be open to great objection.

224. Whether, therefore, we look to the Cotton Duties or to the General Import Duties, it is clear that it is undesirable to maintain the present Tariff.

225. Various methods have from time to time been suggested to remedy the anomalies of the existing system. It has been proposed to levy a low and uniform rate of duty on all cotton goods, to excise Indian cotton, or to impose a low registration fee on all imports and exports. I need not discuss the merits and demerits of these proposals, for we are fortunately in a position to adopt a more thorough and satisfactory remedy. *Proposals to remedy existing defects.*

226. A good deal of the controversy which has arisen on the subject of Customs reform in India, appears to be due to the fact that it has generally been assumed—and I admit that the assumption has until quite recently not been at all unreasonable—that the whole or partial repeal of the Customs Duties must of necessity be accompanied by the imposition of fresh taxation—probably direct taxation—which would be more unpopular than the present method of raising Revenue by the levy of duties on imported goods. I am not called upon to discuss the relative merits and demerits of direct and indirect taxation, either in general or in respect to the particular form of taxation which under present circumstances is most suitable to India. The question is one which for many years past has divided Indian financiers and administrators into two opposite schools, and high authorities may be quoted on either side of the controversy. The substitution of a direct for an indirect tax is, however, not now under discussion. The issue the Government has had to decide is wholly different. That issue I may formulate in the following words: The ordinary Revenue of India exceeds the ordinary Expenditure. A remission of taxation is therefore possible. What form should that remission take? *Real question to be decided by Government.*

227. After a full consideration of the various alternatives which might be adopted, the Government is of opinion that the form which a remission of taxation may most beneficially assume is the abolition of the whole of the Cotton Duties and of the General Import Duties. The Special Duties—namely, those on wine, beer, spirits and liqueurs—will remain; so also will the duty on arms and ammunition, salt and opium. With these exceptions, we propose that no import duties of any kind shall in the future be levied. *Abolition of Cotton and General Import Duties.*

228. I have said that the adoption of this measure is possible without the imposition of any fresh taxes. It remains for me to adduce arithmetical proof in support of this position.

229. The loss of Revenue involved in the Customs reforms now proposed is estimated as follows:— *Loss of Revenue from abolition of Import Duties.*

		£
Cotton Duties		655,000
General Import Duties		564,000
Total gross loss ...		1,219,000
Deduct—	£	
Refunds	35,000	
Saving in Establishments	75,000[1]	
		110,000
Total net loss		1,108,000

230. Supposing no change to be made during the coming year in the Salt or Customs Duties, and that the net Opium Revenue were estimated, as during the year 1881-82, at £6,500,000 net, there would remain a surplus of £2,105,000. This is £997,000 in excess of the loss which will be involved in the proposed Customs reforms. I state the case in this form as I wish to draw attention to the fact that, in taking off the Customs Duties, we are not increasing our reliance on Opium. We could take off those duties if we maintained the relatively low Opium estimate of £6,500,000 net. The case of Salt is different. In reducing the Salt Duty we do, to the extent of £750,000, increase our reliance on Opium. *The loss is much less than the surplus of 1882-83, supposing no changes to be made in Salt or Opium.*

231. It is, of course, desirable to estimate for a moderate surplus. But to keep on taxes in order to secure too large a surplus is unjustifiable and opposed to sound financial principles. It is to be borne in mind that the surplus both of the current and of the coming year represents the excess of

[1] The saving in 1882-83 will not be so much as £75,000, by reason of the cost incurred in giving gratuities on discharge, &c.

Revenue over Expenditure after providing £1,500,000 annually as an Insurance against Famine, of which sum £750,000 is applied to the Reduction of Debt.

General observations.

232. Before leaving this subject I may perhaps be permitted to express a hope that the solution which the Government now offers of this difficult and important problem will be accepted by this Council and by the public opinion of India and England as satisfactory, and that it will finally set at rest the angry controversy which has for some years been waged. That controversy has unfortunately taken a form which no true friend of England or of India can view without regret. It has been represented—erroneously, as I venture to think—that in respect to the question now under discussion there is an antagonism of interests between the two countries.

233. I am not now concerned to go into the whole of the past history of this question, or to discuss whether, viewed by the light of subsequent events, the particular measures which have at each step been adopted to attain the desired end were the best of which the circumstances admitted. This much, however, I will say. As an incident of her connection with England, India has a right to profit from English experience and English economic history. That experience and that history show that by the adoption of Free Trade, a country benefits, indeed, all the world, but more specially benefits itself. It may perhaps be urged that the fiscal conditions of England and India are so different that no analogy can be instituted between the two countries. For the purposes of the present discussion I believe this argument to be unsound. The wealth of India, like that of other countries, is in proportion, not only to its natural resources, but to the degree of liberty it may possess in the use of those resources. By the adoption of the measures now proposed, India will be more free to exchange her exportable produce for the products of foreign lands than would be possible were the import duties maintained. The desirability of removing, so far as is possible, all checks on the Indian import trade was pointed out by Sir Charles Trevelyan so long ago as 1864 in the following words: "Our object," he said, "should be "to remove, as far as possible, every obstruction to the freedom of trade, as was "done in the analogous case at home. The great embarrassment of the trade "of India has always been the want of imports to meet the vast quantity of "exportable produce which the country is capable of sending forth. If we "desire to relieve the trade of India, and to give free scope to its further "extension, we should give all possible encouragement to her imports."

The reform will contribute to the extension of the railway system,

234. In addition to these general arguments, which would readily admit of further development, there is one consideration which applies specially to India, and which, I venture to think, is at the present moment of considerable importance. The desirability of rapidly extending our railway system is universally recognised. The main obstacle to any such rapid extension is the difficulty of attracting railway capital to India on terms which shall not be too onerous to the State. No fiscal measure of general application would be so likely to give a stimulus to railway construction as the removal of all restrictions on trade.

And will be most beneficial to India.

235. I am, indeed, very far from saying that a free-trade policy should be carried out at all hazards. "There is not," Mr. Gladstone once said,* "a free-"trade Government in this or any country which has "not freely admitted that the state of the Revenue is "an essential element in the consideration of the application even of the best "principles of free trade." The question is essentially one of Revenue. Objectionable as is the present condition of the Tariff, we should be obliged, were our general financial position less favorable than it is, to bear for a time with some, at least, of the existing evils. But, under present circumstances, there is no necessity for withholding from India any longer the full advantages of free trade. The Government, therefore, brings forward these proposals in the firm belief that their adoption will be of the utmost benefit to India, and with the knowledge that, under present circumstances, they will be unaccompanied by any counterbalancing disadvantages.

* Debate in the House of Commons, June 12th, 1879.

Minor Tariff reforms.

236. We propose to take the present opportunity for introducing two minor reforms into the Tariff.

Methylated spirit.

237. Methylated spirit at present pays a duty of 10 per cent. It is used to make varnish and ether; also to preserve specimens in museums. We propose,

at the instance of the Bombay Chamber of Commerce, to reduce the rate of duty to 5 per cent. An analogous reduction will be made in the Excise duty. The loss to the Revenue will be trifling—about £250 a year.

Perfumed Spirits.

238. Under the existing law, Perfumed Spirits imported in bottles not containing more than half a pint pay a 5 per cent. *ad valorem* duty. It has been pointed out by the Bombay and Bengal Governments that large quantities of Eau-de-Cologne are imported and used as potable spirit. The law is thus evaded and the Revenue from Excise suffers. In consequence of the abolition of the General Import Duties, "Perfumery" will no longer be taxed, but we propose that Perfumed Spirit imported in wood or in bottles containing more than 4 ozs. (rather less than a quarter of a pint) should be taxed as "Spirit" at the rate of Rs. 4 the imperial gallon, with an increasing duty in proportion as the strength of the spirit exceeds London proof.

XII.—The License Tax.

The License Tax.

239. The last point, involving any question of fiscal principle with which I have to deal is the License Tax. The main question which the Government has had to decide in connection with this subject is whether, a remission of taxation being possible, the License Tax should be abolished in preference to other taxes.

Opinions of Local Governments.

240. In the autumn of 1880, His Excellency the Viceroy addressed a confidential circular to the heads of the several local Administrations with a view to obtaining their opinions as to the desirability of maintaining the present License Tax. The Governor of Madras (the Duke of Buckingham) and his colleagues were of opinion that the tax, though suitable for Municipal purposes, was objectionable as an Imperial resource owing to the defective nature of the staff available in the rural districts for its assessment and collection. The Government of Bombay preferred another form of direct taxation to the License Tax.

With these exceptions there was unanimity of opinion on the following points:—

(1) That the doubt and uncertainty produced in the minds of the people by frequent changes in the modes of taxation were greater evils than the taxes themselves, and that, therefore, any hasty change was much to be deprecated.

(2) That any objections which originally existed on account of the pressure of the License Tax on the poorer classes had been met by raising the minimum assessable income to Rs. 500.

(3) That the people were becoming accustomed to the tax, and that the method of its assessment and collection had been much improved.

Justice of direct taxation.

241. The License Tax at present yields an annual net Revenue of about £524,000. This sum is paid by 228,447 persons.* The justice of imposing some tax upon the trading classes of the community cannot be questioned. The Bengal Chamber of Commerce, in a letter addressed quite recently (February 21st) to the Government of India, said, while speaking in condemnatory terms of the incidence of the present License Tax, that "they are alive to "the difficulty of bringing by any other means a large body of Her Majesty's "subjects under contribution to the expenditure of the State in any proportion "approximate to the advantages they derive from such expenditure." The fact that those classes, who perhaps more than any others have benefited by British rule in India, pay so little, has long been recognised as a blot upon the Indian fiscal system.

* Madras ...	29,017
Bombay ...	52,973
Bengal ...	68,179
N.-W. Provinces and Oudh ...	49,545
Punjab ...	28,733
Total	228,447

There are some practical objections.

242. That there are some practical objections to direct taxation generally, and that those objections apply in India as elsewhere, and even somewhat more in India than elsewhere, may be readily admitted. The question which the Government has had to decide is the degree of urgency to be attached to those objections.

Decision not to abolish the License Tax.

243. The repeal of the License Tax would relieve the small number of people who now pay it and would do little more. The mass of the tax-payers would obtain no relief. The general financial situation would in no way be strengthened. On the other hand, by the abolition of the import duties, and by the reduction of the duty on salt, relief will be afforded to the whole country, a stimulus will be given to trade, the general financial situation will be much strengthened, and it may reasonably be expected that in course of time the actual loss to the Treasury will be to some extent recouped by increased railway receipts and increased consumption of salt. There can, I venture to think, be no question on which side the balance of advantage lies. Under these circumstances the Government has decided not now to propose the abolition of the License Tax.

Is the present system to remain in force?

244. If, however, the License Tax is not to be abolished, the question remains for consideration whether an immediate attempt should be made to remedy the defects which, it is admitted, exist in the present Acts regulating its assessment and collection.

Defects of present License Tax recognised.

245. The difficulty of making practice agree with sound theory in the administration of any system of direct taxation is well known, but the inconsistencies and defects of the License Tax Acts, which at present apply to the several Provinces of India, are glaring, and many of them are unquestionably quite remediable. Thus, excepting in the Madras Presidency, a summary License Tax is levied throughout the greater part of India. In Madras the tax approaches, in some respects, nearest to an Income Tax. Again, everywhere, excepting in the Bombay Presidency, the maximum fee leviable is Rs. 500. In Bombay it is Rs. 200. In Northern India there are two classes, sub-divided into eight grades. In Bengal there are six classes. In Madras there are eight classes. In Bombay there are eleven classes. In British Burma and Assam the tax is not levied at all. Some of these inconsistencies are difficult to defend. For instance, there can be no sort of reason why a rich trader in Bombay should not pay as much as another in a similar situation at Agra or Delhi. In fact, whatever opinions may be held in respect to direct taxation generally in India, there can be no doubt that the present License Tax is open to serious objections. Not only are there great inequalities in its incidence in various Provinces, but also it is open to the very great objections that, in respect to those classes who are taxed, it falls with disproportionate hardship on the less wealthy, and, further, that other classes, who might with justice be called upon to pay the tax, are altogether exempted.

No immediate change proposed.

246. It is clear, therefore, that the License Tax in its present form cannot be incorporated into the permanent fiscal system of the country. Whilst, however, fully recognising the validity of the objections which may be urged against the tax as it now exists, we do not propose that any changes should be made at present.

Desirability of finality in dealing with this question.

247. It is exceedingly desirable that any changes that are made should be final. The frequent changes in the personnel of the Indian Government have exercised a very baneful effect upon the manner in which the question of direct taxation has been treated. Fixity of policy has been conspicuous by its absence. In the last 22 years no less than 23 Acts of the Legislature have been passed, in which successive Governments have either rung the changes on the various expedients for imposing direct taxes, or have for the time being adopted a policy opposed to any direct taxation whatsoever. It was impossible under such a procedure that any system of direct taxation should take root in the country. It was certain that these frequent changes would keep alive rather than allay the unpopularity originally attendant on the imposition of any direct tax. The practical result of the system which has been followed has been that the fundamental principle, that the tax which each individual is bound to pay ought to be certain and not arbitrary, has been violated. Frequent changes have rendered it difficult for the tax-payers to ascertain the true amount due from them, and have facilitated arbitrary and illegal exactions on the part of the tax-gatherers.

248. After full consideration, therefore, we are of opinion that it will be desirable to continue to levy the License Tax in its present form, objectionable though it be, at all events until the experience of another year has enabled us to judge more thoroughly than is at present possible of the policy which should in the future be adopted in respect to this Tax.

Special reasons for postponing change of system.

249. The Indian fiscal system may now be said to be in a state of transition, and, if we were to make any change now, we could feel no assurance that some further change might not be required in connection with the financial arrangements of 1883-84. The special features in connection with the actual financial position which render it desirable to postpone the further consideration of this question are:—

(i) That the economy which may result from our proposals in connection with military re-organisation is as yet uncertain.

(ii) That the proposed Customs reforms and the reduction of the Salt Duty will certainly increase the Railway receipts, but to what extent it is impossible to foresee.

(iii) That increased consumption will partially recoup us the loss consequent on the reduction of the Salt Duty, but to what extent is uncertain.

(iv) That during the year 1882-83 we have to provide a sum of £223,000 in order to complete the Frontier Railways, a charge which will not recur.

(v) That, for the reasons I have already given, we cannot count with certainty on being able to take so high an Opium Estimate in the future as that which we propose for 1882-83.

(vi) That it is within the range of possibility that we may be in a better position a year hence to judge of the future of silver than is at present possible.

No new general tax will be imposed.

250. Although, however, the consideration of the question is postponed, I may at once say that the Government does not contemplate the imposition of any new general direct tax payable by all classes of the community. There are good reasons for supposing that during the last decade there has been, generally speaking, a considerable advance in the trade-wealth of the country, whilst the improvement in the position of the agricultural classes has been proportionately less rapid, at all events in some Provinces. The agricultural classes in most parts of the country are already sufficiently taxed. Whilst we consider that an amendment of the present system of direct taxation, so as to embrace in a more equitable manner all classes of the non-agricultural community, is not only open to no valid objections, but would, if it should become necessary, be just in itself, we should be opposed to the imposition of any direct tax which would add to the amount already contributed by the agricultural classes in the form of Land Revenue or Provincial Rates anything in excess of their fair share of the public burdens. So long as the agricultural classes contribute their fair share of the public burdens in either of these forms, we should not consider it necessary that they should be embraced in any system of direct taxation to which the non-agricultural community might be subject.

Summary of attitude of Government in respect to this question.

251. In order to prevent any future misapprehension, it may be desirable to sum up in a few words the attitude of the Government in respect to the License Tax. It is as follows. We recognise the evils of the present Tax. We recognise that in its present form it cannot be incorporated into the permanent fiscal system of the country. Beyond this we do not at present go. We reserve to ourselves complete liberty of action in the future, either to propose the abolition of the License Tax, to recast it, or even, should such a course appear desirable when the financial arrangements for the year 1883-84 come under consideration, to allow it to continue in existence in its present form for a while longer.

XIII.—Budget Estimates, 1882-83.

Budget Estimates, 1882-83.

252. The Budget Estimates for the coming year have been framed on the assumption that effect will be given to the various reforms to which I have alluded. They give the following results:—

	£
Revenue	... 66,459,000
Expenditure	... 66,174,000
Surplus	... 285,000

Observations on the surplus.

253. It has been laid down by successive Governments that, after providing for all ordinary expenditure, the Indian Budget should show a surplus of £500,000 to meet any unforeseen charges that may arise in the course of the year. The surplus which is at present anticipated during the year 1882-83 falls short of that sum by £215,000. The Estimates have been very carefully framed. Ample provision has been made for all expenditure that can now be foreseen. The net Opium Revenue has been taken at £588,000 less than the Regular Estimate for 1881-82, and at £1,201,000 less than the actual receipts of 1880-81. The net Railway receipts are taken at £468,000 less than the Regular Estimate for 1881-82.[1] A very moderate allowance has been made for increased consumption of salt consequent on the large reduction of duty. A reference to the columns in Appendix II, in which the Budget Estimates for the coming year are compared with the Regular Estimates of the current year, will show that in most cases allowance has been made for a decrease of Revenue and for an increase of Expenditure.[2] At the same time it is to be borne in mind that the Opium trade is at present in a somewhat unsettled state. It is not at all impossible that even our present moderate estimate for Opium (£7,250,000 net) may prove too high. Again, a bad harvest in India, or a partial cessation in the demand for wheat or other Indian produce in Europe, may produce a heavy falling-off in the traffic receipts of Railways and at the same time depreciate Exchange. High prices would also influence the Military and other Estimates. The instability of the value of silver is a permanent source of danger to the Indian Revenue. The consumption of salt may increase even less than is now anticipated. These, and other points, have all to be taken into consideration. There must always be some uncertainty as to the ultimate effect of such important reforms as those which are now proposed. Those reforms are, however, so desirable in themselves that we consider that the Estimates for the coming year may justifiably be based on a surplus of only £285,000. Further, it is to be borne in mind—and this is a consideration of great importance—that we already have in hand the surplus of the current year (£1,577,000), which amounts to more than three times the normal surplus (£500,000) for which it is, generally speaking, considered desirable to make provision.

Military Expenditure.

254. In the last Financial Statement (para. 104) I alluded to the fact that a Commission composed of high authorities had pronounced the possibility of reducing the cost of the Army, and I expressed an opinion that, when once we were free from Afghan complications, the question of reducing Military Expenditure was of all others that which most seriously demanded the attention of Government.

Subject of Military reductions has been considered.

255. This important subject has been fully considered by the Government during the course of the year, and although it has been deemed impossible to accept the proposals of the Commission in their entirety, at the same time the highest Military authorities in India are of opinion that the cost of the Army can be materially reduced without the Military strength of the Empire being impaired; indeed, that certain measures of re-organisation would not only prove economical but would also improve the efficiency of the Army.

Military Estimates for 1882-83.

256. The whole Military system has been carefully reviewed, and the proposals of the Government of India are now before the Secretary of State. I will not, however, dwell on this subject any further as, in the course of the debate on the Bills which I am about to introduce, my Honourable Colleague in charge of the Military Department proposes to deal fully with it. The Budget Estimates for the year 1882-83 provide for a net Military Expenditure of £15,260,000, being less than the ordinary net expenditure of any year since 1876-77.

XXIX & 36. Exchange.

257. *Loss by Exchange* has been taken at £2,775,000 net, being £519,000 less than the Regular Estimate for the current year. The requirements of the Home Treasury during the course of the coming year are estimated at

[1] Part of this difference appears under *XXV & 32. Railways.* Part is included in *1. Interest on Debt.*

[2] There is a net *decrease* of expenditure in 1882-83 of £1,292,000, but this decrease appears almost entirely under two heads. In the first place, the *Army* Expenditure is taken at £2,602,000 less than in 1881-82. This large difference is, of course, mainly due to the provision made in 1881-82 for War Expenditure. In the second place, there is a decrease of £529,000 under the head of *Loss by Exchange.* This is due to the requirements of the Home Treasury being about £1,500,000 less in 1882-83 than in 1881-82.

£15,592,000 (true sterling). Of this amount, £250,000 will be received from Her Majesty's Government at home in consideration of the Indian Government supplying the Hong-Kong Military Treasure Chest. The remainder, *viz.*, £15,342,000 is the estimate of the amount of Council Bills to be drawn. The rate of exchange has been taken at 1*s.* 8*d.*

XIV.—Issue of Stock Notes.

Issue of Stock Notes.

258. Before I proceed to discuss the Estimate of Ways and Means for the year, it will be desirable to allude to a recent decision of the Government which bears upon this important question.

Imports of Treasure.

259. The value of the net imports of gold into India from 1860-61 to 1880-81, inclusive, was £78,308,300; and of silver, during the same period, £151,478,300. It cannot be doubted that a considerable portion of this large amount is hoarded, either in the shape of coin or ornaments. Nothing, indeed, is more remarkable in India, than the contrast between the large quantities of the precious metals which are imported annually, and the small amount of floating capital which is available for purposes of temporary accommodation in the market.

Advantages of attracting petty investments.

260. The question of whether it would not be possible to devise some means for borrowing from *bonâ fide* local investors the amount we require annually for Productive Public Works, has for long occupied the attention of the Government. The advantages to be derived from any such scheme, supposing it to be practicable, are obvious. In the first place, we diminish the amount of the remittances to England, which have to be made either in the form of Secretary of State's bills or commercial bills when the holders of sterling or rupee securities are resident out of India. In the second place, we encourage thrift and the accumulation of capital, and afford a safe investment to the poorer classes. In the third place, we give to a certain number of people a direct interest in the stability of the Government.

Mr. Hope's scheme.

261. In 1879 a scheme based on a consideration of the American "Refunding "Certificates" and of the system of French "Rentes" was laid before the Government of India by Mr. Hope. In August 1880 the Secretary of State drew the attention of the Government of India to the subject in the following terms: "I concur in the opinion that, desirable as is the object of obtaining "subscriptions to loans in small amounts from the residents in the country, "it would not be wise to attempt to accomplish that purpose by any measure "distasteful to the large holders of your securities. The experience of other "countries, especially France, shows, however, that a very large amount of "money may be obtained in small sums from the Natives of the country, if "facilities for their investment are afforded, and I request Your Excellency "will carefully consider whether any such scheme can be applied to the cir-"cumstances of India without being open to the objections pointed out by "your Government."

Scheme worth trying.

262. We have accordingly reconsidered this important question. The opinions, both official and unofficial, which were collected in 1879, show that the principles involved meet with almost unanimous approval. Doubts, however, were expressed as to whether a rate of interest not exceeding 4 per cent. was sufficiently high to attract small investors in India. My own view of the question coincides with that set forth in the *Bombay Gazette* of November 12th, 1879, in the following terms—"In this particular matter the best "kind of 'ventilation' will be that of a practical experiment. No one can "say positively whether the plan will succeed or not, until it is tried; while "to try it would not cost much either in money or in trouble. The idea is "pretty generally accepted as a good one, if it will work; but whether it will "work or not can only be ascertained after a period of probation. After that, "should the plan not prove successful, then no harm would have been done, "and only the expense of printing a few Government Resolutions, together "with the supply of the Notes themselves, will have been incurred." We propose, therefore, to try the experiment.

263. The difficulty indicated by the Secretary of State, namely, that nothing should be done to depreciate our ordinary stock, has, we hope, been obviated by providing that the new "Stock Notes," as they will be called, shall be issued in denominations of small amount, that the interest shall be payable yearly instead of half-yearly, and that the Notes will be non-enfaceable

to Europe. For the rest, the details of the scheme, into which I need not enter as they are fully explained in the Government Resolution attached to this Statement—(see Appendix B), have been framed with a view to making this new form of investment as attractive as possible to small local investors.

264. It is not improbable that the Stock Notes will compete with the Savings Banks deposits. But if they do so, no harm will have been done; for, for all purposes of encouraging thrift and the accumulation of capital amongst the people, they will answer the same purposes as the Savings Banks, whilst, from the Government point of view, Stock Notes will be a more convenient form of investment than the Savings Banks, inasmuch, as in the former case, the capital will not be redeemable for at least 20 years, whilst in the latter case it is payable at call. It is thought that the obligation not to discharge the Notes for at least 20 years will be appreciated by investors, more especially as in consequence of the adoption of this course, the rate of interest can legitimately be fixed slightly ($\frac{1}{4}$ per cent.) above that which is given for Savings Banks deposits.

XV.—Ways and Means.

Ways and Means, 1882.

265. I now proceed to state the Estimate of *Ways and Means* for the coming year.

Closing balance, 1881-82.

266. Last March it was estimated that the year 1881-82 would close with a balance of £10,000,000. It is now estimated that the closing balance of the year will be £14,200,000.

Closing balance, 1882-83.

267. We estimate that the balance on March 31st, 1883, will be £10,848,000. This estimate provides for a capital expenditure during the year of £2,765,000 on *Productive Public Works* and of £485,000 on the East Indian Railway.

Minimum balance in autumn months.

268. In deciding whether a loan is necessary to meet this Capital Expenditure, which, I need hardly say, stands outside the ordinary Account, the important point to consider is, not so much the estimated closing cash balance on March 31st, 1883, as the minimum balance during the months of October, November, and December. During these months the balances are always lower than at any other period of the year. It is, of course, economical to work with as low a cash balance as possible, but in view of the limited extent to which temporary accommodation can be obtained in the Indian market, it is not at all desirable to let the Government cash balance sink too low. The business of the country can be carried on with a cash balance of £8,000,000, but it is not desirable that the balance should be allowed to sink below £8,500,000. A closing cash balance of £10,848,000 would correspond with a balance of about £7,400,000 in the month of November. According to this estimate, therefore, the balances would require strengthening during the year to the extent of £1,000,000 to £1,500,000.

Special points to be considered.

269. On the other hand, the following points have to be taken into consideration.

In the first place, the Estimates of Revenue and Expenditure are cautious. Unless anything unforeseen occurs, the results will probably show an improvement over the Estimates.

In the second place, the creation of the Post Office Savings Banks will probably strengthen the balances to a greater extent than £80,000, for which sum only credit has on this account been taken.[1]

In the third place, the issue of Stock Notes will contribute a certain addition to the balances of the year. No credit has, however, been taken on this account in the present estimate of *Ways and Means.*

In the fourth place, it is not impossible that during the course of the year the Bombay Port Trust may repay to the Government a loan of £760,000. No credit has, however, been taken on this account.

The experience of a few months is necessary in order to enable us to judge of the extent to which these various considerations will affect the Estimate of *Ways and Means* for the year.

[1] Should the new Savings Bank scheme result in a large increase of deposits, it will eventually, in all probability, become necessary either permanently to strengthen the Cash Balance or to adopt some special method for financing these deposits. The whole of this money is, I need hardly say, held at call.

270. It has been usual, in notifying the intentions of Government in respect to borrowing, to speak under reserve. Indeed, of late years a note has always been attached to the Estimate of *Ways and Means* (see Statement VII) to the effect that *Usual reservation.*

"the estimates in this Statement of the amounts to be borrowed and to be supplied to the Home "Treasury by Bills are the best that can now be made; but they are subject to modification "as the year goes on: the Government must not be understood to pledge itself that the "Secretary of State will raise by Bills the exact amount stated; or that the exact amount stated "will be borrowed during the year; or that it will be borrowed in India or in England as the "case may be."

271. I take the present opportunity of drawing special attention to this reservation. I am fully aware of how desirable it is that the Government should state as distinctly as possible what are its intentions in respect to borrowing. At the same time I must point out that to frame, twelve months in advance, an accurate estimate of the cash necessary to carry on the whole work of Government in India, is at all times a matter of very great difficulty. The difficulty is especially great this year owing, in the first place, to the large fiscal reforms which are about to be introduced, the full effect of which upon several heads of Revenue, notably *Salt* and *Railways*, can only be learnt by experience; and, in the second place, owing to the uncertainty which must for the present prevail as to the extent to which the new Stock Notes will be taken up. All that the Government can do is to place the public fully in possession of the facts of the case as they now stand, and to indicate what is the most probable conclusion that is to be drawn from these facts. I cannot at present go further than to say (1) that it is uncertain whether we shall require any loan or not; (2) that if we have to borrow at all, it is not probable that we shall require more than £1,500,000 at most; and (3) that unless any extraordinary and unforeseen circumstance, such, for instance, as a famine, should arise, it is probable that our requirements will not be greater than could be supplied by the local banks temporarily under arrangements by which they would be repaid before the opening of the export season. But it must be clearly understood that I can at present give no sort of pledge as to the course the Government will ultimately pursue, and that we reserve to ourselves the most complete liberty of action during the year to take whatever steps further experience may show to be necessary. *Special attention drawn to reservation.*

XVI.—Conclusion.

272. I regret the length to which this Statement has extended. It is difficult, in making an Indian Financial Statement, to draw the line between saying too much and saying too little. The English practice of merely giving the broad features of the finance of the year has many advantages. The objection to applying this method to India is that, if the details are not given in the Financial Statement, they do not come under the consideration of the public at all until the Accounts are finally made up. Last year I endeavoured to make my Statement as short as possible. The result, so far as I could judge from the comments of the Press both in England and India, was that the broad features of the financial position were generally well understood, but that misapprehension prevailed on some points which might, perhaps, have been removed had my Statement been less brief. This year my Statement is necessarily much longer, as the subjects which I have had to treat are of greater importance; but I have endeavoured, so far as is possible, to avoid descending into too great detail. I think it is, on the whole, better to omit explanations on matters of comparatively minor importance than to run the risk of the main issues being obscured amidst a mass of detail. I need, however, hardly add that there is not a single item in the Estimates about which full explanation cannot be given, if the necessity for doing so should arise. Conclusion. *Length of Statement.*

273. It will be desirable, finally, to recapitulate briefly the main facts of the present Financial Statement, to state the issues which call for the decision of this Council, and to indicate the features of the Statement which, although they do not necessitate legislation, are of sufficient importance to demand special attention. Recapitulation.

274. The main facts are as follows:—

Deficit of 1880-81. (i) The Accounts of the year 1880-81 close with a deficit of £4,044,000. This deficit was wholly due to the expenditure on the war. Excluding the net expenditure on account of the war, there was a surplus of £6,320,000.

Surplus of 1881-82. (ii) We estimate that the year 1881-82 will close with a surplus of £1,577,000 after payment to the Provincial Governments of £670,000 for their Afghan war contribution, and of £360,000 in connection with the renewal of the quinquennial contracts. On the other hand, about £250,000 of the English War contribution has been credited to the year in excess of the War Expenditure, thus abnormally increasing the surplus. But for these extraordinary items of Revenue and Expenditure, the surplus would have been £2,357,000.

Surplus of 1882-83. (iii) We estimate the surplus of the year 1882-83 at £285,000. If no taxes were taken off and the Opium Revenue were taken at £7,250,000 net, the Surplus would be £3,171,000 (see Statement X).

Proposals involving legislation. 275. The proposals now made by the Government which involve legislation, are—

Remission of the Patwari Cess in the N.-W. Provinces. (i) The remission of the Patwari Cess in the North-Western Provinces and the payment by Government of the patwaris in Oudh, who are now paid by the land-owners. This proposal involves a virtual remission of taxation to the extent of £316,000.

Abolition of Import Duties. (ii) The total abolition of the Cotton Duties and the General Import Duties. This involves a remission of taxation to the extent of £1,219,000.

Reduction of Salt Duty. (iii) The reduction of the rate of the duty on salt to Rs. 2 a maund everywhere except in the Trans-Indus districts of the Punjab and in British Burma. This involves a loss of Revenue of about £1,400,000. Legislation is not absolutely required in order to introduce this change, but as the present Salt Act requires some amendments, independently of any change in the rate of duty, we propose to take this opportunity to bring a Bill to effect these amendments under the consideration of the Council.

Other points not involving legislation. 276. The remaining points of special importance which do not involve legislation are—

Subordinate Civil Services. (i) The improvement in the position of the Subordinate Civil Services, which it is estimated will cost about £50,000 a year.

Provincial contracts. (ii) The arrangements in connection with the renewal of the Provincial contracts.

Opium. (iii) The policy of the Government in respect to Opium. The net Revenue from this source has been taken at £7,250,000 in the Estimates for the coming year.

The License Tax. (iv) The attitude of the Government in respect to the License Tax. It is proposed to make no change at present, but we reserve to ourselves complete liberty of action for the future.

Stock Notes. (v) The introduction of a scheme to facilitate borrowing from small local investors by the issue of Stock Notes.

Military Expenditure. 277. To these must be added the steps which have been taken so far to reduce the cost of the Army and to improve its efficiency. As I have already mentioned, my Honourable Colleague, General Wilson, who can speak both with far greater authority and a more intimate knowledge of the subject than any to which I can pretend, will, in the course of the debate, explain fully the actual position of affairs in respect to Military Expenditure.

Conclusion. 278. I commend these measures to the attention of this Council and of the public in the confident belief that they will receive fair and impartial consideration, and in the firm conviction that their adoption will benefit India.

Services rendered by Mr. Hope. 279. I cannot close this Statement without cordially acknowledging the obligations the Government is under to Mr. Hope, the able Secretary in the Financial Department. Mr. Hope's wide economic knowledge, his great experience of every branch of the Indian administration, and the keen interest which he feels in every measure tending to promote the welfare of the people of India, have been invaluable in the consideration of the important measures which have recently been under discussion.

STATEMENTS.

I.—REVENUE AND EXPENDITURE OF THE GOVERNMENT

Estimates,

REVENUES.	Accounts, 1880-81.	Budget Estimates, 1881-82.	Regular Estimates, 1881-82.	Increase.	Decrease.	Budget Estimates, 1882-83.	Budget Estimates, 1882-83, compared with Regular Estimates, 1881-82.	
							Increase.	Decrease.
CIVIL.	£	£	£	£	£	£	£	£
I.—Land Revenue ...	21,910,314	22,495,000	22,449,000	...	46,000	22,172,000	...	277,000
II.—Tributes ...	742,209	705,000	721,000	16,000	...	701,000	...	20,000
III.—Forest	709,320	770,000	820,000	50,000	...	809,000	...	11,000
IV.—Excise ...	3,135,226	3,031,000	3,411,000	380,000	...	3,331,000	...	80,000
V.—Assessed Taxes ...	558,720	550,000	538,000	...	12,000	538,000	...	...
VI.—Provincial Rates ...	2,776,370	2,863,000	2,885,000	22,000	...	2,649,000	...	236,000
VII.—Customs	2,539,612	2,367,000	2,290,000	...	77,000	1,181,000	...	1,109,000
VIII.—Salt	7,115,988	7,153,000	7,213,000	60,000	...	6,049,000	...	1,164,000
IX.—Opium	10,480,051	8,763,000	9,900,000	1,137,000	...	9,500,000	...	400,000
X.—Stamps	3,250,581	3,290,000	3,328,000	38,000	...	3,342,000	14,000	...
XI.—Registration ...	281,230	290,000	280,000	...	10,000	284,000	4,000	...
XII.—Mint	89,565	89,000	58,000	...	31,000	145,000	87,000	...
XIII.—Post Office ...	1,018,653	967,000	976,000	9,000	...	967,000	...	9,000
XIV.—Telegraph ...	539,087	481,000	476,000	...	5,000	525,000	49,000	...
XV.—Minor Departments ...	78,492	101,000	113,000	12,000	...	66,000	...	47,000
XVI.—Law and Justice ...	687,764	664,000	643,000	...	21,000	659,000	16,000	...
XVII.—Police ...	241,769	236,000	242,000	6,000	...	248,000	6,000	...
XVIII.—Marine	246,519	210,000	206,000	...	4,000	183,000	...	23,000
XIX.—Education	170,238	143,000	179,000	36,000	...	177,000	...	2,000
XX.—Medical	43,368	42,000	43,000	1,000	...	41,000	...	2,000
XXI.—Stationery and Printing	62,462	61,000	60,000	...	1,000	59,000	...	1,000
XXII.—Interest	875,679	678,000	892,000	214,000	...	652,000	...	240,000
XXIII.—Superannuations ...	315,999	315,000	312,000	...	3,000	307,000	...	5,000
XXIV.—Miscellaneous ...	731,742	271,000	379,000	108,000	...	268,000	...	111,000
XXV.—Railways	7,952,973	7,950,000	9,087,000	1,137,000	...	8,910,000	...	177,000
XXVI.—Irrigation and Navigation	829,402	903,000	923,000	20,000	...	962,000	39,000	...
XXVII.—Other Public Works ...	547,313	485,000	557,000	72,000	...	485,000	...	72,000
XXVIII.—Army	924,127	814,000	969,000	155,000	...	868,000	...	101,000
English Contribution for Afghan War ...	2,695,000	3,000,000	2,305,000	...	695,000	...	...	2,305,000
Military Operations in Afghanistan ...	602,607	61,000	267,000	206,000	...	...	...	267,000
XXIX.—Gain by Exchange ...	407,521	412,000	391,000	...	21,000	381,000	...	10,000
GRAND TOTAL ...	72,559,901	70,160,000	72,913,000	2,753,000	...	66,459,000	...	6,454,000
Deficit	4,044,139	...	...	...	...	...	...	...

Fort William;
Dept. of Finance and Commerce,
The 8th March 1882.

E. W. Kellner,
Deputy Comptroller General.

)F INDIA IN INDIA AND IN ENGLAND.

882-83.

EXPENDITURE.	Accounts, 1880-81.	Budget Estimates, 1881-82.	Regular Estimates, 1881-82.	Increase.	Decrease.	Budget Estimates, 1882-83.	Budget Estimates, 1882-83, compared with Regular Estimates, 1881-82.	
							Increase.	Decrease.
CIVIL.	£	£	£	£	£	£	£	£
1.—Interest on Debt ...	6,051,065	6,287,000	6,414,000	127,000	...	6,391,000	...	23,000
2.—Interest, other Accounts	413,973	409,000	445,000	36,000	...	459,000	14,000	...
3.—Refunds and Drawbacks ...	469,206	350,000	423,000	73,000	...	511,000	88,000	...
4.—Land Revenue ...	2,983,679	3,032,000	3,037,000	5,000	...	3,168,000	131,000	...
5.—Forest ...	465,976	571,000	600,000	29,000	...	581,000	...	19,000
6.—Excise ...	95,404	99,000	99,000	...	...	99,000	...	...
7.—Assessed Taxes ...	21,237	15,000	14,000	...	1,000	15,000	1,000	...
8.—Provincial Rates ...	46,435	48,000	49,000	1,000	...	49,000	...	...
9.—Customs ...	198,927	206,000	196,000	...	10,000	163,000	...	33,000
10.—Salt ...	363,537	428,000	544,000	116,000	...	639,000	95,000	...
11.—Opium ...	2,028,757	2,263,000	2,062,000	...	201,000	2,250,000	188,000	...
12.—Stamps ...	107,465	114,000	109,000	...	5,000	119,000	10,000	...
13.—Registration ...	173,351	186,000	178,000	...	8,000	186,000	8,000	...
14.—Mint ...	92,618	105,000	94,000	...	11,000	108,000	14,000	...
15.—Post Office ...	1,175,505	1,098,000	1,150,000	52,000	...	1,173,000	23,000	...
16.—Telegraph ...	497,834	562,000	567,000	5,000	...	637,000	70,000	...
17.—Administration ...	1,532,056	1,519,000	1,502,000	...	17,000	1,504,000	2,000	...
18.—Minor Departments ...	401,140	458,000	547,000	89,000	...	442,000	...	105,000
19.—Law and Justice ...	3,203,613	3,351,000	3,181,000	...	170,000	3,347,000	166,000	...
20.—Police ...	2,524,198	2,571,000	2,551,000	...	20,000	2,635,000	84,000	...
21.—Marine ...	551,586	735,000	620,000	...	115,000	621,000	1,000	...
22.—Education ...	998,468	1,058,000	1,057,000	...	1,000	1,149,000	92,000	...
23.—Ecclesiastical ...	158,638	159,000	160,000	1,000	...	163,000	3,000	...
24.—Medical ...	666,735	698,000	678,000	...	20,000	703,000	25,000	...
25.—Stationery and Printing	485,010	512,000	562,000	50,000	...	440,000	...	122,000
26.—Political ...	531,183	562,000	663,000	101,000	...	520,000	...	143,000
27.—Allowces. & Assignments...	1,898,773	1,943,000	1,932,000	...	11,000	1,939,000	7,000	...
28.—Civil Furlough Allces. ...	223,741	234,000	223,000	...	11,000	234,000	11,000	...
29.—Superannuations ...	2,150,553	2,064,000	2,073,000	9,000	...	2,101,000	28,000	...
30.—Miscellaneous ...	280,130	271,000	293,000	22,000	...	271,000	...	22,000
31.—Famine Relief & Insurance								
Relief ...	34,469	...	23,000	23,000	...	...	...	23,000
Protective Works ...	...	750,000	727,000	...	23,000	750,000	23,000	...
Reduction of Debt ...	...	750,000	750,000	...	...	750,000	...	...
32.—Railways ...	6,478,559	7,189,000	7,124,000	...	65,000	7,592,000	468,000	...
Subsidized Railways ...	...	...	39,000	39,000	...	50,000	11,000	...
Frontier Railways ...	2,293,615	790,000	209,000	...	581,000	223,000	14,000	...
33.—Irrigation & Navigation...	1,185,114	1,385,000	1,382,000	...	3,000	1,527,000	145,000	...
34.—Other Public Works ...	4,312,997	5,035,000	5,322,000	287,000	...	5,371,000	49,000	...
35.—Army ...	16,717,713	16,459,000	17,119,000	660,000	...	16,128,000	...	991,000
Military Operations in Afghanistan ...	11,368,489	2,271,000	1,611,000	...	660,000	...	...	1,611,000
36.—Loss by Exchange ...	3,124,330	3,475,000	3,685,000	210,000	...	3,156,000	...	529,000
	76,306,079	70,012,000	70,014,000	2,000	...	68,164,000	...	1,850,000
Provincial & Local { Surpluses ...	+336,686	+114,000	+ 1,357,000	+ 1,243,000	...	...	...	+1,357,000
Provincial & Local { Deficits ...	—38,725	—821,000	— 35,000	...	— 786,000	— 1,990,000	—1,955,000	...
TOTAL ...	76,604,040	69,305,000	71,336,000	2,031,000	...	66,174,000	...	5,162,000
Surplus	...	855,000	1,577,000	722,000	...	285,000	...	1,292,000
37.—Productive Public Works	3,238,070	2,608,000	2,656,000	48,000	...	2,765,000	109,000	...
Pro. P. Works E. I. Railway	418,435	860,000	1,035,000	175,000	...	485,000	...	550,000
Do. do. Madras Irrigation and Canal Company's undertaking ...	...	1,405,000	...	...	1,405,000	...	...	...

J. WESTLAND,
Comptroller General.

T. C. HOPE,
Secy. to the Govt. of India.

II.—REVENUE AND EXPENDITURE OF THE GOVERNMENT

(Distinguishing Revenue and Charges

Estimates,

REVENUE.	Accounts, 1880-81.	Budget Estimates, 1881-82.	Regular Estimates, 1881-82.	Increase.	Decrease.	Budget Estimates, 1882-83.	Budget Estimates, 1882-83, compared with Regular Estimates, 1881-82.	
							Increase.	Decrease.
CIVIL.	£	£	£	£	£	£	£	£
I.—Land Revenue ...	21,112,995	21,788,000	21,770,000	...	18,000	21,487,000	...	283,000
II.—Tributes	742,209	705,000	721,000	16,000	...	701,000	...	20,000
III.—Forest	709,320	770,000	820,000	50,000	...	809,000	...	11,000
IV.—Excise	3,135,226	3,031,000	3,411,000	380,000	...	3,331,000	...	80,000
V.—Assessed Taxes ...	558,720	550,000	538,000	...	12,000	538,000	...	...
VI.—Provincial Rates ...	2,776,370	2,863,000	2,885,000	22,000	...	2,649,000	...	236,000
VII.—Customs	2,539,612	2,367,000	2,290,000	...	77,000	1,181,000	...	1,109,000
VIII.—Salt	7,115,988	7,153,000	7,213,000	60,000	...	6,049,000	...	1,164,000
IX.—Opium	10,480,051	8,763,000	9,900,000	1,137,000	...	9,500,000	...	400,000
X.—Stamps	3,250,581	3,290,000	3,328,000	38,000	...	3,342,000	14,000	...
XI.—Registration ...	281,230	290,000	280,000	...	10,000	284,000	4,000	...
XII.—Mint	89,565	89,000	58,000	...	31,000	145,000	87,000	...
XIII.—Post Office ...	1,018,653	967,000	976,000	9,000	...	967,000	...	9,000
XIV.—Telegraph ...	539,087	481,000	476,000	...	5,000	525,000	49,000	...
XV.—Minor Departments...	78,492	101,000	113,000	12,000	...	66,000	...	47,000
XVI.—Law and Justice ...	687,764	664,000	643,000	...	21,000	659,000	16,000	...
XVII.—Police	241,769	236,000	242,000	6,000	...	248,000	6,000	...
XVIII.—Marine	246,519	210,000	206,000	...	4,000	183,000	...	23,000
XIX.—Education ...	170,238	143,000	179,000	36,000	...	177,000	...	2,000
XX.—Medical ...	43,368	42,000	43,000	1,000	...	41,000	...	2,000
XXI.—Stationery & Printing	62,462	61,000	60,000	...	1,000	59,000	...	1,000
XXII.—Interest	875,679	678,000	892,000	214,000	...	652,000	...	240,000
XXIII.—Superannuations ...	315,999	315,000	312,000	...	3,000	307,000	...	5,000
XXIV.—Miscellaneous ...	731,742	271,000	379,000	108,000	...	268,000	...	111,000
XXV.—Railways Subsidized...	...	...	2,000	2,000	...	1,000	...	1,000
XXVI.—Irrigation & Navign.	197,908	180,000	129,000	...	51,000	133,000	4,000	...
XXVII.—Other Public Works	547,313	485,000	557,000	72,000	...	485,000	...	72,000
XXVIII.—Army	924,127	814,000	969,000	155,000	...	868,000	...	101,000
English Contribution for Afghan War ...	2,695,000	3,000,000	2,305,000	...	695,000	...	...	2,305,000
Military operations in Afghanistan ...	602,607	61,000	267,000	206,000	...	...	...	267,000
XXIX.—Gain by Exchange ...	407,521	412,000	391,000	...	21,000	381,000	...	10,000
TOTAL ...	63,178,115	60,780,000	62,355,000	1,575,000	...	56,036,000	...	6,319,000
Revenue from Productive Public Works.								
XXV.—Railways—								
State (Gross Earnings)	2,269,135	2,420,000	2,485,000	65,000	...	2,776,000	291,000	...
Guaranteed (Net Traffic Receipts) ...	2 913,313	2,730,000	3,490,000	760,000	...	3,473,000	...	17,000
East Indian Railway ...	2,770,525	2,800,000	3,110,000	310,000	...	2,660,000	...	450,000
XXVI.—Irrign. & Navigation—								
Direct Receipts ...	639,144	739,000	804,000	65,000	...	844,000	40,000	...
Madras Irrigation and Canal Company (Net Traffic Receipts, &c.)	—7,650	—16,000	—10,000	6,000	...	—15,000	...	5,000
I.—Portion of Land Revenue due to Irrigation	797,319	707,000	679,000	...	28,000	685,000	6,000	...
Total ...	9,381,786	9,380,000	10,558,000	1,178,000	...	10,423,000	...	135,000
GRAND TOTAL REVENUE ...	72,559,901	70,160,000	72,913,000	2,753,000	...	66,459,000	...	6,454,000
Deficit	4,044,139	...	...	...	...	...	...	...

Fort William;
DEPT. OF FINANCE AND COMMERCE,
The 8th March 1882.

E. W. KELLNER,
Deputy Comptroller General.

OF INDIA IN INDIA AND IN ENGLAND.

of Productive Public Works.)

1882-83.

EXPENDITURE.	Accounts, 1880-81.	Budget Estimates, 1881-82.	Regular Estimates, 1881-82.	Increase.	Decrease.	Budget Estimates, 1882-83.	Budget Estimates, 1882-83 compared with Regular Estimates, 1881-82. Increase.	Decrease.
CIVIL.	£	£	£	£	£	£	£	£
1.—Interest on Debt ...	3,669 195	3,838,000	4,087,000	249,000	...	3,917,000	...	170,000
2.—Interest, other Accounts...	413,973	409,000	445,000	36,000	...	459,000	14,000	...
3.—Refunds and Drawbacks...	469,206	350,000	423,000	73,000	...	511,000	88,000	...
4.—Land Revenue ...	2,983,679	3,032,000	3,037,000	5,000	...	3,168,000	131,000	...
5.—Forest	465,976	571,000	600,000	29,000	...	581,000	...	19,000
6.—Excise	95,404	99 000	99,000	...	...	99,000	...	...
7.—Assessed Taxes ...	21,237	15,000	14,000	...	1,000	15,000	1,000	...
8.—Provincial Rates ...	46,435	48,000	49,000	1,000	...	49,000	...	...
9.—Customs	198,927	206,000	196,000	...	10,000	163,000	...	33,000
10.—Salt	363,537	428,000	544,000	116,000	...	639,000	95,000	...
11.—Opium	2,028,757	2,263,000	2,062,000	...	201,000	2,250,000	188,000	...
12.—Stamps	107,465	114,000	109,000	...	5,000	119,000	10,000	...
13.—Registration	173,351	186,000	178,000	...	8,000	186,000	8,000	...
14.—Mint	92,618	105,000	94,000	...	11,000	108,000	14,000	...
15.—Post Office	1,175,505	1,098,000	1,150,000	52,000	...	1,173.000	23,000	...
16.—Telegraph	497,834	562,000	567,000	5,000	...	637,000	70,000	...
17.—Administration ...	1,532,056	1,519,000	1,502,000	...	17,000	1,504,000	2,000	...
18.—Minor Departments ...	401,140	458,000	547,000	89,000	...	442,000	...	105,000
19.—Law and Justice ...	3,203,613	3,351,000	3,181,000	...	170,000	3,347,000	166.000	...
20.—Police	2,524,198	2,571,000	2,551,000	...	20,000	2,635,000	84,000	...
21.—Marine	551,586	735,000	620,000	...	115,000	621,000	1,000	...
22.—Education	998,468	1,058,000	1,057,000	...	1,000	1,149,000	92,000	...
23.—Ecclesiastical ...	158,638	159,000	160,000	1,000	...	163,000	3,000	...
24.—Medical	666,735	698,000	678,000	...	20,000	703,000	25,000	...
25.—Stationery & Printing ...	485,010	512,000	562,000	50,000	...	440,000	...	122,000
26.—Political	531,183	562,000	663,000	101,000	...	520,000	...	143,000
27.—Allowces. & Assignments	1,898,773	1,943,000	1,932,000	...	11,000	1,939,000	7,000	...
28.—Civil Furlough Allowces.	223,741	234,000	223,000	...	11,000	234,000	11,000	...
29.—Superannuations ...	2,150,553	2,064,000	2,073,000	9,000	...	2,101,000	28,000	...
30.—Miscellaneous ...	280,130	271,000	293,000	22,000	...	271,000	...	22,000
31.—Famine Relief & Insurance								
Relief	34,469	...	23,000	23,000	...	...	...	23,000
Protective Works ...	...	750,000	727,000	...	23,000	750,000	23,000	...
Reduction of Debt, ...	...	750,000	750,000	...	...	750,000	...	...
32.—Railways	77,003	417,000	281,000	...	136,000	592,000	311,000	...
Subsidized Railways ...	...	...	39,000	39,000	...	50,000	11,000	...
Frontier Railways ...	2,293,615	790,000	209,000	...	581,000	223,000	14,000	...
33.—Irrigation & Navigation...	709,103	926,000	879,000	...	47,000	974,000	95,000	...
34.—Other Public Works ...	4,312,997	5,035,000	5,322,000	287,000	...	5,371,000	49,000	...
35.—Army	16,717,713	16,459,000	17,119,000	660,000	...	16,128,000	...	991,000
Military Operations in Afghanistan ...	11,368,489	2,271,000	1,611,000	...	660,000	...	...	1,611,000
36.—Loss by Exchange ...	3,124,330	3,475,000	3,685,000	210,000	...	3,156,000	....	529,000
	67,046,642	60,332,000	60,341,000	9.000	...	58,137,000	...	2.204,000
Provincial and Local { Surpluses and Deficits ...	+ 336,686	+ 114,000	+1,357,000	+1,243,000	...	...	...	+1,357,000
	— 38,725	— 821,000	— 35,000	...	—786,000	—1.990,000	-1,955,000	...
EXPENDITURE ORDINARY ...	67,344,603	59,625,000	61,663,000	2,038,000	...	56,147,000	...	5,516.000
Expenditure on Productive Public Works (Working Expenses and Interest).								
32.—Railways—								
State (Working and Maintenance) ...	1,607,528	1,669,000	1,716,000	47,000	...	1,741,000	25,000	...
Guaranteed (Interest, Surplus Profits, &c.) ...	3,677,809	3,516,000	3,690,000	174,000	...	3,825,000	135,000	...
East Indian Railway ...	1,116,219	1,587,000	1,437,000	...	150,000	1,434,000	...	3,000
33.—Irrigation & Navigation—								
Working and Maintenance	425,473	426,000	453,000	27,000	...	503,000	50,000	...
Madras Irrigation & Canal Company (Interest, &c.)	50,538	33,000	50,000	17,000	...	50,000	...	...
1.—Interest on Debt ...	2,381,870	2,449,000	2,327,000	...	122,000	2.474,000	147,000	...
Total ...	9,259,437	9,680,000	9,673,000	...	7,000	10,027,000	354,000	...
GRAND TOTAL ...	76,604,040	69,305,000	71,336,000	2,031,000	...	66,174,000	...	5,162,000
Surplus	...	855.000	1,577,000	722,000	...	285,000	...	1,292,000
37.—Productive Public Works	3,238,070	2,608,000	2,656,000	48,000	...	2,765,000	109,000	...
Do. do. E. I. Railway ...	418,435	860,000	1,035,000	175,000	...	485,000	...	550,000
Do. do. Madras Irrigation and Canal Company's undertakings	...	1,405,000	...	...	1,405,000	...	...	...

J. WESTLAND,
Comptroller General.

T. C. HOPE,
Secy. to the Govt. of India.

III.—REVENUE AND EXPENDITURE OF THE GOVERNMENT OF INDIA IN INDIA

REVENUE.	Regular Estimates, 1881-82.				Budget Estimates, 1882-83.			
	Imperial.	Provincial.	Local.	Total.	Imperial.	Provincial.	Local.	Total.
	£	£	£	£	£	£	£	£
Opening Balance		1,950,000	1.386,200			3,267,600	1,395,000	
I.—Land Revenue	21,219,300	1,099,600	130,100	22,449,000	13,695,800	8,358,800	117,400	22,172,000
II.—Tributes	721,000	...	...	721,000	701,000	...	...	701,000
III.—Forest	757,100	35,900	27,000	820,000	398,200	384,100	26,700	809,000
IV.—Excise	645,900	2,763,700	1,400	3,411,000	1,676,900	1,652,800	1,300	3,331,000
V.—Assessed Taxes	375,400	162,600	...	538,000	269,000	269,000	...	538,000
VI.—Provincial Rates	176,800	457,200	2,251,000	2,885,000	400	639,700	2,008,900	2,649,000
VII.—Customs	2,043,900	246,100	...	2,290,000	1,006,600	174,400	...	1,181,000
VIII.—Salt	7,187,100	25,900	...	7,213,000	6,020,700	28,300	...	6,049,000
IX.—Opium	9,900,000	...	...	9,900,000	9,500,000	...	...	9,500,000
X.—Stamps	574,100	2,753,900	...	3,328,000	1,687,900	1,654,100	...	3,342,000
XI.—Registration	600	279,400	...	280,000	142,500	141,500	...	284,000
XII.—Mint	58,000	...	...	58,000	145,000	...	...	145,000
XIII.—Post Office	971,800	3,400	800	976,000	962,500	3,400	1,100	967,000
XIV.—Telegraph	476,000	...	...	476,000	525,000	...	...	525,000
XV.—Minor Departments	60,000	42,900	10,100	113,000	9,000	46,300	10,700	66,000
XVI.—Law and Justice	84,700	557,900	400	643,000	40,800	617,600	600	659,000
XVII.—Police	400	201,400	40,200	242,000	200	210,500	37,700	248,000
XVIII.—Marine	77,600	128,400	...	206,000	74,400	108,600	...	183,000
XIX.—Education	1,400	126,400	51,200	179,000	1,500	124,900	50,600	177,000
XX.—Medical	4,300	33,600	5,100	43,000	1,700	35,600	3,700	41,000
XXI.—Stationery and Printing ...	14,700	45,300	...	60,000	7,000	52,000	...	59,000
XXII.—Interest	859,000	13,100	19,900	892,000	628,800	10,400	12,800	652,000
XXIII.—Pensions	294,500	14,000	3,500	312,000	272,500	31,000	3,500	307,000
XXIV.—Miscellaneous	65,300	184,200	129,500	379,000	44,900	120,300	102,800	268,000
XXV.—Railways	8,523,100	563,900	...	9,087,000	8,281,300	628,700	...	8,910,000
XXVI.—Irrigation and Navigation ...	315,600	606,200	1,200	923,000	275,900	685,000	1,100	962,000
XXVII.—Other Public Works ...	72,200	325,400	159,400	557,000	59,900	311,700	113,400	485,000
XXVIII.—Army	969,000	...	...	969,000	868,000	...	...	868,000
English Contribution for Afghan War.	2,305,000	...	...	2,305,000	...	...	...	...
Military Operations in Afghanistan.	267,000	...	...	267,000	...	...	...	...
XXIX.—Gain by Exchange	390,000	1,000	...	391,000	381,000	...	...	381,000
Total Revenue ...	59,410,800	10,671,400	2,830,800	72,913,000	47,678,000	16,288,700	2,492,300	66,459,000
Deposits and Advances (Local) ...		...	468,100			...	466,700	
GRAND TOTAL ...		12,621,400	4,685,100			19,556,300	4,354,000	

Fort William;
Dept. of Finance and Commerce,
The 8th March 1882.

E. W. Kellner,
Deputy Comptroller General.

AND IN ENGLAND IN THE THREE DIVISIONS, IMPERIAL, PROVINCIAL AND LOCAL.

EXPENDITURE.	Regular Estimates, 1881-82.				Budget Estimates, 1882-83.			
	Imperial.	Provincial.	Local.	Total.	Imperial.	Provincial.	Local.	Total.
	£	£	£	£	£	£	£	£
1.—Interest on Debt	5,732,500	681,500	...	6,414,000	5,662,700	728,300	...	6,391,000
2.—Interest, Other Accounts ...	440,500	900	3,600	445,000	455,000	...	4,000	459,000
3.—Refunds and Drawbacks ...	228,800	180,800	13,400	423,000	164,900	339,100	7,000	511,000
4.—Land Revenue	851,600	1,639,900	545,500	3,037,000	258,700	2,575,600	333,700	3,168,000
5.—Forest	558,200	21,600	20,200	600,000	287,700	268,100	25,200	581,000
6.—Excise	21,500	76,700	800	99,000	49,600	48,600	800	99,000
7.—Assessed Taxes	700	13,300	...	14,000	7,700	7,300	...	15,000
8.—Provincial Rates	—300	5,200	44,100	49,000	—100	5,900	43,200	49,000
9.—Customs	22,600	173,400	...	196,000	—200	163,200	...	163,000
10.—Salt	486,000	58,000	...	544,000	575,500	63,500	...	639,000
11.—Opium	2,062,000	...	...	2,062,000	2,250,000	...	...	2,250,000
12.—Stamps	14,400	94,600	...	109,000	62,500	56,500	...	119,000
13.—Registration	300	177,700	...	178,000	93,200	92,800	...	186,000
14.—Mint	94,000	...	...	94,000	108,000	...	...	108,000
15.—Post Office	1,055,900	35,600	58,500	1,150,000	1,070,900	36,000	66,100	1,173,000
16.—Telegraph	567,000	...	...	567,000	637,000	...	...	637,000
17.—Administration	884,100	589,300	28,600	1,502,000	788,500	686,300	29,200	1,504,000
18.—Minor Departments	396,500	113,500	37,000	547,000	270,700	136,000	35,300	442,000
19.—Law and Justice	567,700	2,613,100	200	3,181,000	175,700	3,171,100	200	3,347,000
20.—Police	82,200	2,205,500	263,300	2,551,000	79,000	2,271,500	284,500	2,635,000
21.—Marine	473,900	146,100	...	620,000	483,300	137,700	...	621,000
22.—Education	9,300	721,800	325,900	1,057,000	9,600	771,100	368,300	1,149,000
23.—Ecclesiastical	119,700	40,300	...	160,000	163,000	...	...	163,000
24.—Medical	174,300	405,300	98,400	678,000	21,000	571,100	110,900	703,000
25.—Stationery and Printing ...	246,400	313,000	2,600	562,000	92,000	345,300	2,700	440,000
26.—Political	662,300	600	100	663,000	519,500	400	100	520,000
27.—Allowances	1,217,000	715,000	...	1,932,000	1,253,100	685,900	...	1,939,000
28.—C. F. & A. Allowances	222,500	500	...	223,000	234,000	...	...	234,000
29.—Superannuation	1,906,000	166,200	800	2,073,000	1,603,800	496,300	900	2,101,000
30.—Miscellaneous	79,000	122,100	91,900	293,000	57,800	114,500	98,700	271,000
31.—Famine Relief and Insurance—								
Relief	200	22,800	...	23,000	...	...	...	...
Protective Works	727,000	...	...	727,000	750,000	...	...	750,000
Reduction of Debt	750,000	...	...	750,000	750,000	...	...	750,000
32.—Railways	6,633,900	490,100	...	7,124,000	6,923,700	668,300	...	7,592,000
Subsidized Railways	39,000	...	...	39,000	50,000	...	...	50,000
Frontier Railways	209,000	...	...	209,000	223,000	...	...	223,000
33.—Irrigation and Navigation ...	742,100	635,700	4,200	1,382,000	795,400	722,700	8,900	1,527,000
34.—Other Public Works	1,677,400	2,215,200	1,429,400	5,322,000	1,510,700	2,265,900	1,594,400	5,371,000
35.—Army	17,119,000	...	...	17,119,000	16,128,000	...	...	16,128,000
Military Operations in Afghanistan	1,611,000	...	...	1,611,000	...	...	...	...
36.—Loss by Exchange	3,685,000	...	...	3,685,000	3,156,000	...	...	3,156,000
Total Expenditure ...	52,370,200	14,675,300	2,968,500	70,014,000	47,720,900	17,429,000	3,014,100	68,164,000
37.—Productive Public Works ...	3,691,000			3,691,000	3,250,000			3,250,000
Add—Contributions to Imperial ...		17,900		17,900		328,600		328,600
Provincial ...			55,100	55,100			103,000	103,000
Local ...		196,900		196,900		302,300		302,300
Total ...	56,061,200	14,890,100	3,023,600	73,974,900	50,970,900	18,059,900	3,117,100	72,147,900
Deduct—Imperial Allotment ...		4,811,200		4,811,200				
Contribution from Imperial ...		670,000		670,000		600		600
Provincial			196,900	196,900			302,300	302,300
Local ...		55,100		55,100		103,000		103,000
Total for Deduction ...	...	5,536,300	196,900	5,733,200		103,600	302,300	405,900
Net Expenditure	56,061,200	9,353,800	2,826,700	68,241,700	50,970,900	17,956,300	2,814,800	71,742,000
Deposits and Advances (Local) ...			463,400				450,800	
Closing Balance ...		3,267,600	1,395,000			1,600,000	1,088,400	
GRAND TOTAL ...		12,621,400	4,685,100			19,556,300	4,354,000	
*Surplus		1,317,600	4,100	1,321,700				
or Deficit						1,667,600	322,500	1,990,100

* Being difference between Total Revenue and Net Expenditure.

J. WESTLAND,
Comptroller General.

T. C. HOPE,
Secy. to the Govt. of India.

IV.—RECEIPTS AND DISBURSEMENTS AT THE TREASURIES OF

RECEIPTS.	Accounts, 1880-81.	Budget Estimates, 1881-82.	Regular Estimates, 1881-82.	Increase.	Decrease.	Budget Estimates, 1882-83.	Budget Estimates, 1882-83, compared with Regular Estimates, 1881-82.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
I.—Imperial revenue ...	72,862,022	70,160,000	72,913,000	2,753,000	...	66,459,000	...	6,454,000
II.—Public debt* ...	8,488,407	7,105,000	5,620,000	...	1,485,000	1,950,000	...	3,670,000
III.—Treasury notes and service funds ...	997,763	1,030,000	1,045,000	15,000	...	1,091,000	46,000	...
IV.—Savings banks' deposits	2,058,490	769,000	1,534,000	765,000	...	1,635,000	101,000	...
V.—Political and other excluded funds ...	596,690	452,000	612,000	160,000	...	623,000	11,000	...
VI.—Provincial and local surplus ...	336,686	114,000	1,357,000	1,243,000	...	...	...	1,357,000
VII.—Deposits and advances...	25,167,826	24,366,000	16,978,000	...	7,388,000	19,646,000	2,668,000	...
VIII.—Loans to municipalities, native states, &c. ...	932,124	215,000	306,000	91,000	...	210,000	...	96,000
IX.—Guaranteed railway capital ...	1,842,061	1,643,000	2,145,000	502,000	...	2,729,000	584,000	...
X.—Money orders ...	4,570,858	5,433,000	5,602,000	169,000	...	5,602,000	...	...
XI.—Remittances in India ...	21,785,293	15,930,000	15,520,000	...	410,000	13,082,000	...	2,438,000
XII.—Secretary of State's bills drawn* ...	15,239,677	17,200,000	17,504,000	304,000	...	15,342,000	...	2,162,000
XIII.—Remittances between India and England ...	2,104,084	2,005,000	1,877,000	...	128,000	2,070,000	193,000	...
Total ...	156,981,981	146,422,000	143,013,000	...	3,409,000	130,439,000	...	12,574,000
Balance ...	15,300,001	16,510,000	17,498,850	988.850	...	17,251,000	...	247,850
GRAND TOTAL ...	172,281,982	162,932,000	160,511,850	...	2,420,150	147,690,000	...	12,821,850

* The Estimates in this Statement of the amounts to be supplied to the Home Treasury by Bills in 1882-83 are the best that can now
of State will raise by Bills

Abstract of the above showing how the

ACCOUNTS, 1880-81.				REGULAR ESTI	
	£		£		£
Public debt ...	3,679,815	Deficit of imperial revenue	7,398,523	Public debt ...	927,000
Treasury notes and service funds ...	247,367	Political and other excluded funds ...	518,792	Treasury notes and service funds ...	251,000
Savings banks' deposits ...	943,694	Loans to municipalities, native states, &c. ...	174,526	Savings banks' deposits ...	90,000
Surplus of provincial and local revenue ...	297,961	Guaranteed railway capital ...	165,600	Political and other excluded funds ...	10,000
Deposits and advances ...	4,493,470	Balance increased ...	2,198,849	Surplus of provincial and local revenue ...	1,322,000
Money orders ...	20,501			Loans to municipalities, native states, &c. ...	170,000
Secretary of state's bills drawn ...	97,462			Money orders ...	18,000
Remittances ...	676,020			Remittances ...	775,150
				Balance reduced ...	247,850
TOTAL ...	10,456,290	TOTAL ...	10,456,290	TOTAL ...	3,811,000

Fort William;
Dept. of Finance and Commerce,
The 8th March 1882.

E. W. Kellner,
Deputy Comptroller General.

THE GOVERNMENT OF INDIA IN INDIA AND IN ENGLAND.

DISBURSEMENTS.	ACCOUNTS, 1880-81.	BUDGET ESTIMATES, 1881-82.	REGULAR ESTIMATES, 1881-82.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1882-83.	BUDGET ESTIMATES, 1882-83, COMPARED WITH REGULAR ESTIMATES, 1881-82.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
1.—IMPERIAL EXPENDITURE ...	80,260,545	74,178,000	75,027,000	849,000	...	69,424,000	...	5,603,000
2.—PUBLIC DEBT	4,808,592	4,583,000	4,693,000	110,000	...	3,138,000	...	1,555,000
3.—TREASURY NOTES AND SERVICE FUNDS	750,396	817,000	794,000	...	23,000	827,000	33,000	...
4.—SAVINGS BANKS' DEPOSITS ...	1,114,796	1,146,000	1,444,000	298,000	...	1,385,000	...	59,000
5.—POLITICAL AND OTHER EXCLUDED FUNDS ...	1,115,482	492,000	602,000	110,000	...	580,000	...	22,000
6.—PROVINCIAL AND LOCAL DEFICITS	38,725	821,000	35,000	...	786,000	1,990,000	1,955,000	...
7.—DEPOSITS AND ADVANCES ...	20,674,356	26,915,000	18,234,000	...	8,681,000	17,849,000	...	385,000
8.—LOANS TO MUNICIPALITIES, NATIVE STATES, &C. ...	1,106,650	113,000	136,000	23,000	...	125,000	...	11,000
9.—GUARANTEED RAILWAY CAPITAL	2,007,661	2,159,000	2,586,000	427,000	...	3,271,000	685,000	...
10.—MONEY ORDERS	4,550,357	5,433,000	5,584,000	151,000	...	5,584,000	...	...
11.—REMITTANCES IN INDIA ...	21,394,055	14,998,000	14,677,850	...	320,150	13,091,000	...	1,586,850
12.—SECRETARY OF STATE'S BILLS PAID	15,142,215	17,200,000	17,504,000	304,000	...	15,342,000	...	2,162,000
13.—REMITTANCES BETWEEN INDIA AND ENGLAND ...	1,819,302	2,087,000	1,944,000	...	143,000	2,089,000	145,000	...
TOTAL ...	154,783,132	150,942,000	143,260,850	...	7,681,150	134,695,000	...	8,565,850
BALANCE ...	17,498,850	11,990,000	17,251,000	5,261,000	...	12,995,000	...	4,256,000
GRAND TOTAL ...	172,281,982	162,932,000	160,511,850	...	2,420,150	147,690,000	...	12,821,850

be made; but they are subject to modification as the year goes on; the Government must not be understood to pledge itself that the Secretary the exact amount stated.

Ways and Means are provided.

MATES, 1881-82.		BUDGET ESTIMATES, 1882-83.			
	£		£		£
DEFICIT OF IMPERIAL REVENUE ...	2,114,000	TREASURY NOTES AND SERVICE FUNDS	264,000	DEFICIT OF IMPERIAL REVENUE	2,965,000
DEPOSITS AND ADVANCES ...	1,256,000	SAVINGS BANKS' DEPOSITS ...	250,000	PUBLIC DEBT	1,188,000
GUARANTEED RAILWAY CAPITAL	441,000	POLITICAL AND OTHER EXCLUDED FUNDS ...	43,000	DEFICIT OF PROVINCIAL AND LOCAL REVENUE ...	1,990,000
		DEPOSITS AND ADVANCES ...	1,797,000	GUARANTEED RAILWAY CAPITAL	542,000
		LOANS TO MUNICIPALITIES, NATIVE STATES, &C. ...	85,000	REMITTANCES	28,000
		MONEY ORDERS	18,000		
		BALANCE REDUCED ...	4,256,000		
TOTAL ...	3,811,000	TOTAL ...	6,713,000	TOTAL ...	6,713,000

J. WESTLAND,
Comptroller General.

T. C. HOPE,
Secy. to the Govt. of India.

V.—REVENUE AND EXPENDITURE OF THE

Estimates,

REVENUE.	Accounts, 1880-81.	Budget Estimates, 1881-82.	Regular Estimates, 1881-82.	Increase.	Decrease.	Budget Estimates, 1882-83.	Budget Estimates, 1882-83, compared with Regular Estimates, 1881-82.	
							Increase.	Decrease.
CIVIL.	£	£	£	£	£	£	£	£
I.—Land Revenue ...	21,112,995	21,788,000	21,770,000	...	18,000	21,487,000	...	283,000
II.—Tributes	742,209	705,000	721,000	16,000	...	701,000	...	20,000
III.—Forest	707,718	768,100	818,000	49,900	...	806,900	...	11,100
IV.—Excise	3,135,226	3,031,000	3,411,000	380,000	...	3,331,000	...	80,000
V.—Assessed Taxes ...	558,720	550,000	538,000	...	12,000	538,000	...	...
VI.—Provincial Rates ...	2,776,370	2,863,000	2,885,000	22,000	...	2,649,000	...	236,000
VII.—Customs	2,539,612	2,367,000	2,290,000	...	77,000	1,181,000	...	1,109,000
VIII.—Salt	7,115,988	7,153,000	7,213,000	60,000	...	6,049,000	...	1,164,000
IX.—Opium	10,480,051	8,763,000	9,900,000	1,137,000	...	9,500,000	...	400,000
X.—Stamps	3,250,581	3,290,000	3,328,000	38,000	...	3,342,000	14,000	...
XI.—Registration ...	281,230	290,000	280,000	...	10,000	284,000	4,000	...
XII.—Mint	89,525	89,000	58,000	...	31,000	145,000	87,000	...
XIII.—Post Office ...	1,018,653	967,000	976,000	9,000	...	967,000	...	9,000
XIV.—Telegraph ...	508,743	452,600	422,800	...	29,800	493,700	70,900	...
XV.—Minor Departments ...	62,401	62,500	68,600	6,100	...	65,500	...	3,100
XVI.—Law and Justice ...	687,764	664,000	643,000	...	21,000	659,000	16,000	...
XVII.—Police	241,769	236,000	242,000	6,000	...	248,000	6,000	...
XVIII.—Marine	246,519	210,000	206,000	...	4,000	183,000	...	23,000
XIX.—Education	170,238	143,000	179,000	36,000	...	177,000	...	2,000
XX.—Medical ...	41,258	37,700	39,000	1,300	...	39,000	...	...
XXI.—Stationery and Printing	62,396	61,000	60,000	...	1,000	59,000	...	1,000
XXII.—Interest	678,129	668,000	838,000	170,000	...	647,000	...	191,000
XXIII.—Superannuation Contributions	212,546	215,600	208,100	...	7,500	206,800	...	1,300
XXIV.—Miscellaneous ...	636,362	265,000	365,800	100,800	...	262,000	...	103,800
XXV.—Railways (Subsidized)	...	...	—300	—300	...	...	...	—300
XXVI.—Irrigation and Navigation	197,908	180,000	129,000	...	51,000	133,000	4,000	...
XXVII.—Other Public Works...	533,502	472,500	543,300	70,800	...	469,000	...	74,300
XXVIII.—Army	837,075	777,000	902,500	125,500	...	813,500	...	89,000
Military Operations in Afghanistan ...	602,607	61,000	267,000	206,000	...	...	...	267,000
XXIX.—Gain by Exchange ...	407,521	412,000	391,000	...	21,000	381,000	...	10,000
Total ...	59,935,616	57,542,000	59,692,800	2,150,800	...	55,817,400	...	3,875,400
Revenue from Productive Public Works.								
XXV.—Railways—								
State (Gross Earnings)...	2,268,905	2,420,000	2,484,800	64,800	...	2,775,800	291,000	...
Guaranteed (Net Traffic Receipts) ...	2,913,313	2,729,800	3,490,000	760,200	...	3,473,000	...	17,000
East Indian Railway ...	2,770,525	2,800,000	3,110,000	310,000	...	2,660,000	...	450,000
XXVI.—Irrign. and Navigation—								
Direct Receipts ...	638,656	738,500	803,800	65,300	...	843,800	40,000	...
Madras Irrigation and Canal Company (Net Traffic Receipts, &c.)...	—7,650	—16,000	—10,000	6,000	...	—15,000	...	5,000
I.—Portion of Land Revenue due to Irrigation	797,319	707,000	679,000	...	28,000	685,000	6,000	...
Total ...	9,381,068	9,379,300	10,557,600	1,178,300	...	10,422,600	...	135,000
GRAND TOTAL ...	69,316,684	66,921,300	70,250,400	3,329,100	...	66,240,000	...	4,010,400

Fort William;
DEPT. OF FINANCE AND COMMERCE,
The 8th March 1882.

E. W. KELLNER,
Deputy Comptroller General.

GOVERNMENT OF INDIA IN INDIA.

1882-83.

EXPENDITURE.	Accounts, 1880-81.	Budget Estimates, 1881-82.	Regular Estimates, 1881-82.	Increase.	Decrease.	Budget Estimates, 1882-83.	Budget Estimates, 1882-83, compared with Regular Estimates, 1881-82. Increase.	Decrease.
CIVIL.	£	£	£	£	£	£	£	£
1.—Interest on Debt ...	1,327,977	1,367,300	1,580,700	213,400	...	1,477,300	...	103,400
2.—Interest, other Accounts	413,412	407,300	442,300	35,000	...	457,200	14,900	...
3.—Refunds and Drawbacks ...	469,206	350,000	423,000	73,000	...	511,000	88,000	...
4.—Land Revenue ...	2,982,998	3,031,100	3,036,400	5,300	...	3,167,000	130,600	...
5.—Forest	461,908	565,800	594,800	29,000	...	575,800	...	19,000
6.—Excise	95.404	99,000	99,000	...	...	99,000	...	...
7.—Assessed Taxes ...	21 237	15,000	14,000	...	1,000	15,000	1,000	...
8.—Provincial Rates ...	46,435	48,000	49,000	1,000	...	49,000	...	...
9.—Customs	198,927	206,000	196,000	...	10,000	163,000	...	33,000
10.—Salt	363,536	428,000	544,000	116,000	...	639,000	95,000	...
11.—Opium	2,028,669	2,262,500	2,060,900	...	201,600	2,249,900	189,000	...
12.—Stamps	75,863	74,000	77,400	3,400	...	80,000	2,600	...
13.—Registration	173,351	186,000	178,000	...	8,000	186,000	8,000	...
14.—Mint	89,227	85,200	71,200	...	14,000	104,400	33,200	...
15.—Post Office	1,069,147	997,900	1,051,300	53,400	...	1,069,400	18,100	...
16.—Telegraph	408,955	459,600	455,900	...	3,700	514,900	59,000	...
17.—Administration ...	1,291,483	1,298,900	1,275,300	...	23,600	1,286,300	11,000	...
18.—Minor Departments ...	371,289	438,700	525,500	86,800	...	420,800	...	104,700
19.—Law and Justice ...	3,203,347	3,349,600	3,180,700	...	168,900	3,345,700	165,000	...
20.—Police	2,524,198	2,571,000	2,551,000	...	20,000	2,635,000	84,000	...
21.—Marine	398,915	432,100	394,000	...	38,100	376,300	...	17,700
22.—Education	998,061	1,057,600	1,056,600	...	1,000	1,148,600	92,000	...
23.—Ecclesiastical	157,983	158,200	159,500	1,300	...	162,000	2,500	...
24.—Medical	659,532	690,500	670,500	...	20,000	695,500	25,000	...
25.—Stationery and Printing...	410,401	424,400	434,400	10,000	...	309,000	...	125,400
26.—Political	444,896	535,700	636.200	100,500	...	492,700	...	143,500
27.—Allowances and Assigns....	1,873,872	1,881,900	1,910,900	29,000	...	1,873,900	...	37,000
28.—Civil Fuello. Allowances	6,217	4,000	5,000	1,000	...	4,000	...	1,000
29.—Superannuations ...	779,589	708,000	706,000	...	2,000	741,000	35,000	...
30.—Miscellaneous ...	249,307	251,000	271,000	20,000	...	253,000	...	18,000
31.—Famine Relief and Insurance—								
Relief	32,638	...	22,800	22,800	...	...	...	22,800
Protective Works ...	...	750,000	727,000	...	23,000	750,000	23,000	...
Reduction of Debt ...	...	750,000	750,000	...	...	750,000	...	...
32.—Railways	77,003	417,000	281,000	...	136,000	592,000	311,000	...
Subsidized Railways	...	...	34,700	34,700	...	33,500	...	1,200
Frontier Railways ...	1,598,918	386,000	—131,000	...	517,000	120,000	251,000	...
33.—Irrigation and Navigation	703,817	925,900	878,800	...	47,100	973,800	95,000	...
34.—Other Public Works ...	4,224,748	4,939,400	5,221,000	281,600	...	5,280,300	59,300	...
35.—Army	12,618,468	12,392,000	13,034,800	642,800	...	12,103,000	...	931,800
Military Operations in Afghanistan ...	11,297,926	2,271,000	1,610,000	...	661,000	...	...	1,610,000
36.—Loss by Exchange ...	3,124,330	3,475,000	3,685,000	210,000	...	3,156,000	...	529,000
	57,268,190	50,690,600	50,764,600	74,000	...	48,860,300	...	1,904,300
Provincial and Local ... Surpluses + and Deficits — ...	+ 336,686	+114,000	+1,357,000	+1,243,000	...	...	...	+1,357,000
	—38,725	—821,000	—35,000	...	—786,000	—1,990,000	-1,955,000	....
Total ...	57,566,151	49,983,600	52,086,600	2,103,000	...	46,870,300	...	5,216,300
Expenditure on Productive Public Works (Working Expenses and Interest).								
32.—Railways—								
State (Working & Maintenance)	1,607,528	1,669,000	1,716,000	47,000	...	1,741,000	25,000	...
Guaranteed (Interest, Surplus Profits, &c.) ...	423,305	249,000	425,000	176,000	...	547,000	122,000	...
East Indian Railway ...	123,046	204,600	199,600	...	5,000	214,700	15,100	...
33.—Irrigation & Navigation—								
Working and Maintenance	425,347	426,000	453,000	27,000	...	503,000	50,000	...
Madras Irrigation and Canal Company (Interest, &c.)	555	—200	—200	...	...	—200	...	...
1.—Interest on Debt ...	2,037,876	2,209,400	1,973,100	...	236,300	2,132,000	158,900	...
Total ...	4,617,657	4,757,800	4,766,500	8,700		5,137,500	371,000	...
GRAND TOTAL ...	62,183,808	54,741,400	56,853,100	2,111,700	...	52,007,800	..	4,845,300
37.—Productive Public Works	2,667,392	2,150,000	2,211,000	61,000	...	2,215,000	4,000	...
Do. do. E. I. Railway...	418,435	860,000	535,000	...	325,000	485,000	...	50,000

J. WESTLAND,
Comptroller General.

T. C. HOPE,
Secy. to the Govt. of India.

VI.—REVENUE AND EXPENDITURE OF THE HOME

Estimates,

REVENUE.	Accounts, 1880-81.	Budget Estimates, 1881-82.	Regular Estimates, 1881-82.	Increase.	Decrease.	Budget Estimates, 1882-83.	Budget Estimates, 1882-83, compared with Regular Estimates, 1881-82.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
III.—Forest	1,602	1,900	2,000	100	...	2,100	100	...
XII.—Mint	40	...	...	...	...	...	...	...
XIV.—Telegraph ...	30,344	28,400	53,200	24,800	...	31,300	...	21,900
XV.—Minor Departments	16,091	38,500	44,400	5,900	...	500	...	43,900
XX.—Medical ...	2,110	4,300	4,000	...	300	2,000	...	2,000
XXI.—Stationery and Printing ...	66	...	...	...	...	...	...	...
XXII.—Interest ...	197,550	10,000	54,000	44,000	...	5,000	...	49,000
XXIII.—Superannuation Contributions ...	103,453	99,400	103,900	4,500	...	100,200	...	3,700
XXIV.—Miscellaneous ...	95,380	6,000	13,200	7,200	...	6,000	...	7,200
XXV.—Railways ...	...	...	2,300	2,300	...	1,000	...	1,300
XXVII.—Other Public Works ...	13,811	12,500	13,700	1,200	...	16,000	2,300	...
XXVIII.—Army ..	87,052	37,000	66,500	29,500	...	54,500	...	12,000
English Contribution for Afghan War ...	2,695,000	3,000,000	2,305,000	...	695,000	...	...	2,305,000
TOTAL ...	3,242,499	3,238,000	2,662,200	...	575,800	218,600	...	2,443,600
Revenue from Productive Public Works.								
XXV.—Railways ...	230	200	200	...	...	200	...	...
XXVI.—Irrigation ...	488	500	200	...	300	200	...	...
	718	700	400	...	300	400	...	...
TOTAL ...	3,243,217	3,238,700	2,662,600	...	576,100	219,000	...	2,443,600

Fort William;
DEPT. OF FINANCE AND COMMERCE,
The 8th March 1882.

E. W. KELLNER,
Deputy Comptroller General.

TREASURY OF THE GOVERNMENT OF INDIA.
1882-83.

EXPENDITURE.	ACCOUNTS, 1880-81.	BUDGET ESTIMATES, 1881-82.	REGULAR ESTIMATES, 1881-82.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1882-83.	BUDGET ESTIMATES, 1882-83, COMPARED WITH REGULAR ESTIMATES, 1881-82.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
1.—INTEREST ON DEBT ...	2,341,218	2,470,700	2,506,300	35,600	...	2,439,700	...	66,600
2.—INTEREST, OTHER ACCOUNTS	561	1,700	2,700	1,000	...	1,800	...	900
4.—LAND REVENUE ...	681	900	600	...	300	1,000	400	...
5.—FOREST	4,068	5,200	5,200	...	...	5,200	...	...
10.—SALT	1	...	...	...	...	...	...	...
11.—OPIUM	88	500	1,100	600	...	100	...	1,000
12.—STAMPS	31,602	40,000	31,600	...	8,400	39,000	7,400	...
14.—MINT	3,391	19,800	22,800	3,000	...	3,600	...	19,200
15.—POST OFFICE ...	106,358	100,100	98,700	...	1,400	103,600	4,900	...
16.—TELEGRAPH ...	88,879	102,400	111,100	8,700	...	122,100	11,000	...
17.—ADMINISTRATION ...	240,573	220,100	226,700	6,600	...	217,700	...	9,000
18.—MINOR DEPARTMENTS ...	29,851	19,300	21,500	2,200	...	21,200	...	300
19.—LAW AND JUSTICE ...	266	1,400	300	...	1,100	1,300	1,000	...
21.—MARINE	152,671	302,900	226,000	...	76,900	244,700	18,700	...
22.—EDUCATION	407	400	400	...	...	400	...	..
23.—ECCLESIASTICAL ...	655	800	500	...	300	1,000	500	...
24.—MEDICAL	7,203	7,500	7,500	...	..	7,500	...	...
25.—STATIONERY & PRINTING	74,609	87,600	127,600	40,000	...	131,000	3,400	...
26.—POLITICAL	86,287	26,300	26,800	500	...	27,300	500	...
27.—ALLOWANCES AND ASSIGNMENTS	24,901	61,100	21,100	...	40,000	65,100	44,000	...
28.—CIVIL FURLOUGH ALLOWANCES	217,524	230,000	218,000	...	12,000	230,000	12,000	...
29.—SUPERANNUATIONS ...	1,370,964	1,356,000	1,367,000	11,000	...	1,360,000	...	7,000
30.—MISCELLANEOUS ...	30,823	20,000	22,000	2,000	...	18,000	...	4,000
31.—FAMINE RELIEF ...	1,831	...	200	200	...	...	...	200
32.—RAILWAYS (FRONTIER RAILWAYS) ...	694,697	404,000	340,000	...	64,000	103,000	...	237,000
SUBSIDIZED RAILWAYS...	...	...	4,300	4,300	...	16,500	12,200	...
33.—IRRIGATION	5,286	100	200	100	...	200	...	...
34.—OTHER PUBLIC WORKS ...	88,249	95,600	101,000	5,400	...	90,700	...	10,300
35.—ARMY	4,104,245	4,067,000	4,084,200	17,200	...	4,025,000	...	59,200
MILITARY OPERATIONS IN AFGHANISTAN ...	70,563	...	1,000	1,000	...	...	...	1,000
TOTAL ...	9,778,452	9,641,400	9,576,400	...	65,000	9,276,700	...	299,700
Expenditure on Productive Public Works.								
1.—INTEREST ...	343,994	239,600	353,900	114,300	...	342,000	...	11,900
32.—RAILWAYS (GUARANTEED)	3,254,504	3,267,000	3,265,000	...	2,000	3,278,000	13,000	...
E. I. RAILWAY	993,173	1,382,400	1,237,400	...	145,000	1,219,300	...	18,100
33.—IRRIGATION (MADRAS IRRIGATION AND CANAL COMPANY)	50,109	33,200	50,200	17,000	...	50,200	...	...
	4,641,780	4,922,200	4,906,500	...	15,700	4,889,500	...	17,000
TOTAL ...	14,420,232	14,563,600	14,482,900	...	80,700	14,166,200	...	316,700
37.—PRODUCTIVE PUBLIC WORKS	570,678	458,000	445,000	...	13,000	550,000	105,000	...
DO. DO. E. I. RAILWAY	...	...	500,000	500,000	...	...	...	500,000
DO. DO. MADRAS IRRIGN. & CANAL CO.'S UNDERTAKINGS	...	1,405,000	...	...	1,405,000	...	...	...

J. WESTLAND,
Comptroller General.

T. C. HOPE,
Secy. to the Govt. of India.

VII.—RECEIPTS AND DISBURSEMENTS AT THE TREASURIES

RECEIPTS.	Accounts, 1880-81.	Budget Estimates, 1881-82.	Regular Estimates, 1881-82.	Increase.	Decrease.	Budget Estimates, 1882-83.	Budget Estimates, 1882-83, compared with Regular Estimates, 1881-82.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
I.—Imperial revenue ...	69,618,805	66,921,300	70,250,400	3,329,100	...	66,240,000	...	4,010,400
II.—Public debt* ...	3,451,163	3,000,000	3,000,700	700	...	...	...	3,000,700
III.—Treasury notes and service funds ...	994,057	1,026,200	1,041,000	14,800	...	1,087,000	46,000	...
IV.—Savings banks' deposits	2,053,490	769,000	1,534,000	765,000	...	1,635,000	101,000	...
V.—Political and other excluded funds ...	596,690	452,000	612,000	160,000	...	623,000	11,000	...
VI.—Provincial and local surplus... ...	336,686	114,000	1,357,000	1,243,000	...	...	...	1,357,000
VII.—Deposits and advances...	25,162,130	24,363,000	16,961,500	...	7,401,500	19,143,000	2,181,500	...
VIII.—Loans to municipalities, native states, &c.	932,124	215,000	306,000	91,000	...	210,000	...	96,000
IX.—Guaranteed railway capital ...	1,602,478	1,542,600	1,479,500	...	63,100	1,674,000	194,500	...
X.—Money orders ...	4,570,858	5,433,000	5,602,000	169,000	...	5,602,000	...	...
XI.—Remittances in India ...	21,785,293	15,930,000	15,520,000	...	410,000	13,082,000	...	2,438,000
XIII.—Remittances between India and England ...	1,803,187	1,879,500	1,570,900	...	308,600	1,722,000	151,100	...
Total ...	132,911,961	121,645,600	119,235,000	...	2,410,600	111,018,000	...	8,217,000
Balance	13,029,894	12,799,993	13,371,101	571,108	...	14,199,651	828,550	...
GRAND TOTAL ...	145,941,855	134,445,593	132,606,101		1,839,492	125,217,651	...	7,388,450

* The Estimates in this Statement of the amounts to be supplied to the Home Treasury by Bills in 1882-83 are the best that can now be
State will raise by Bills

Abstract of the above showing how the

ACCOUNTS, 1880-81.				REGULAR ESTI	
	£		£		£
Surplus of imperial revenue ...	4,349,170	Political and other excluded funds ...	518,792	Surplus of imperial revenue ...	10,651,300
Public debt ...	3,087,482	Loans to municipalities, native states, &c. ...	174,526	Public debt ...	2,770,400
Treasury notes and service funds ...	244,105	Secretary of state's bills paid	15,142,215	Treasury notes and service funds ...	247,500
Savings banks' deposits ...	943,694	Balance increased ...	341,207	Savings banks' deposits ...	90,000
Surplus of provincial and local revenue ...	297,961			Political and other excluded funds ...	10,000
Deposits and advances ...	4,688,568			Surplus of provincial and local revenue ...	1,322,000
Loans to municipalities, native states, &c. ...				Deposits and advances ...	546,300
Guaranteed railway capital	572,972			Loans to municipalities, native states, &c. ...	170,000
Money orders ...	20,501			Guaranteed railway capital	355,000
Remittances ...	1,972,287			Money orders ...	18,000
				Remittances ...	2,152,050
TOTAL ...	16,176,740	TOTAL ...	16,176,740	TOTAL ...	18,332,550

Fort William:
Dept. of Finance and Commerce,
The 8th March 1882.

E. W. Kellner,
Deputy Comptroller General.

OF THE GOVERNMENT OF INDIA IN INDIA.

DISBURSEMENTS.	Accounts, 1880-81.	Budget Estimates, 1881-82.	Regular Estimates, 1881-82.	Increase.	Decrease.	Budget Estimates, 1882-83.	Budget Estimates, 1882-83, compared with Regular Estimates, 1881-82.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
1.—Imperial expenditure ...	65,269,635	57,751,400	59,599,100	1,847,700	...	54,707,800	...	4,891,300
2.—Public debt ...	363,681	30,800	230,300	199,500	...	590,000	359,700	...
3.—Treasury notes and service funds ...	749,952	816,400	793,500	...	22,900	826,500	33,000	...
4.—Savings banks' deposits ...	1,114,796	1,146,000	1,444,000	298,000	...	1,385,000	...	59,000
5.—Political and other excluded funds ...	1,115,482	492,000	602,000	110,000	...	580,000	...	22,000
6.—Provincial and local deficits	38,725	821,000	35,000	...	786,000	1,990,000	1,955,000	...
7.—Deposits and advances ...	20,473,562	24,412,000	16,415,200	..	7,996,800	17,846,000	1,430,800	...
8.—Loans to municipalities, native states, &c. ...	1,106,650	113,000	136,000	23,000	...	125,000	...	11,000
9.—Guaranteed railway capital	1,029,506	1,054,400	1,124,500	70,100	...	1,901,000	776,500	...
10.—Money orders ...	4,550,357	5,433,000	5,584,000	151,000	...	5,584,000	...	...
11.—Remittances in India ...	21,394,055	14,998,000	14,677,850	...	320,150	13,091,000	...	1,586,850
12.—Secretary of State's bills paid*	15,142,215	17,200,000	17,504,000	304,000	...	15,342,000	...	2,162,000
13.—Remittances between India and England ...	222,138	178,200	261,000	82,800	...	401,000	140,000	...
Total ...	132,570,754	124,446,200	118,406,450	...	6,039,750	114,369,300	...	4,037,150
Balance ...	13,371,101	9,999,393	14,199,651	4,200,258	...	10,848,351	...	3,351,300
GRAND TOTAL ...	145,941,855	134,445,593	132,606,101	...	1,839,492	125,217,651	...	7,388,450

made; but they are subject to modification as the year goes on; the Government must not be understood to pledge itself that the Secretary of the exact amount stated.

Ways and Means are provided.

MATES, 1881-82.		BUDGET ESTIMATES, 1882-83.			
	£		£		£
Secretary of State's bills paid ...	17,504,000	Surplus of imperial revenue	11,532,200	Public debt ...	590,000
Balance increased ...	828,550	Treasury notes and service funds ...	260,500	Deficits of provincial and local revenue ...	1,990,000
		Savings banks' deposits ...	250,000		
		Political and other excluded funds ...	43,000	Guaranteed railway capital ...	227,000
		Deposits and advances ...	1,297,000		
		Loans to municipalities, native states, &c. ...	85,000	Secretary of State's bills paid ..	15,342,000
		Money orders ...	18,000		
		Remittances ...	1,312,000		
		Balance reduced ...	3,351,300		
TOTAL ...	18,332,550	TOTAL ...	18,149,000	TOTAL ...	18,149,000

J. WESTLAND,
Comptroller General.

T. C. HOPE,
Secy. to the Govt. of India.

VIII.—RECEIPTS AND DISBURSEMENTS AT THE HOME

RECEIPTS.	Accounts, 1880-81.	Budget Estimates, 1881-82.	Regular Estimates, 1881-82.	Increase.	Decrease.	Budget Estimates, 1882-83.	Budget Estimates, 1882-83, compared with the Regular Estimates, 1881-82.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
I.—Public revenue ...	3,243,217	3,238,700	2,662,600	...	576,100	219,000	...	2,443,600
II.—Public debt*	5,037,244	4,105,000	2,619,300	...	1,485,700	1,950,000	...	669,300
III.—Service funds ...	3,706	3,800	4,000	200	...	4,000	...	...
VII.—Deposits and advances ...	5,696	3,000	16,500	13,500	...	503,000	486,500	...
IX.—Guaranteed railway capital	239,583	100,400	665,500	565,100	...	1,055,000	389,500	...
XII.—Secretary of State's bills drawn	15,239,677	17,200,000	17,504,000	304,000	...	15,342,000	...	2,162,000
XIII.—Remittances between India and England	300,897	125,500	306,100	180,600	...	348,000	41,900	...
Total ...	24,070,020	24,776,400	23,778,000	...	998,400	19,421,000	...	4,357,000
Balance	2,270,107	3,710,007	4,127,749	417,742	...	3,051,349	...	1,076,400
GRAND TOTAL ...	26,340,127	28,486,407	27,905,749	...	580,658	22,472,349	...	5,433,400

*The Estimates in this Statement of the amount to be supplied to the Home Treasury by Bills in 1882-83 and of the Debt transactions are the the Secretary of State will raise by Bills the exact amount stated, or that

Abstract of the above showing how the

ACCOUNTS, 1880-81.				REGULAR ESTI	
	£		£		£
Net public debt ...	592,333	Deficit of revenue ...	11,747,693	Service funds	3,500
Service funds	3,262	Net deposits and advances	195,098	Secretary of State's bills drawn ...	17,504,000
Secretary of State's bills drawn	15,239,677	Net guaranteed railway capital	738,572	Balance decreased ...	1,076,400
		Net remittances between India and England ...	1,296,267		
		Balance increased ...	1,857,642		
TOTAL ...	15,835,272	TOTAL ...	15,835,272	TOTAL ...	18,583,900

Fort William;
Dept. of Finance and Commerce,
The 8th March 1882.

E. W. KELLNER,
Deputy Comptroller General.

TREASURY OF THE GOVERNMENT OF INDIA.

DISBURSEMENTS.	Accounts, 1880-81.	Budget Estimates, 1881-82.	Regular Estimates, 1881-82.	Increase.	Decrease.	Budget Estimates, 1882-83.	Budget Estimates, 1882-83, compared with the Regular Estimates, 1881-82. Increase.	Decrease.
	£	£	£	£	£	£	£	£
1.—Public expenditure ...	14,990,910	16,426,600	15,427,900	...	998,700	14,716,200	...	711,700
2.—Public debt	4,444,911	4,552,200	4,462,700	...	89,500	2,548,000	...	1,914,700
3.—Service funds	444	600	500	...	100	500	...	...
7.—Deposits and advances ...	200,794	2,503,000	1,818,800	...	684,200	3,000	...	1,815,800
9.—Guaranteed railway capital	978,155	1,104,600	1,461,500	356,900	...	1,370,000	...	91,500
13.—Remittances between India and England	1,597,164	1,908,800	1,683,000	...	225,800	1,688,000	5,000	...
TOTAL ...	22,212,378	26,495,800	24,854,400	...	1,641,400	20,325,700	...	4,528,709
Balance	4,127,749	1,990,607	3,051,349	1,060,742	...	2,146,649	....	904,700
GRAND TOTAL ...	26,340,127	28,486,407	27,905,749	...	580,658	22,472,349	...	5,433,400

best that can now be made; but they are subject to modification as the year goes on; the Government must not be understood to pledge itself that the Debt transactions will be carried out as estimated.

Ways and Means are provided.

MATES, 1881-82.		BUDGET ESTIMATES, 1882-83.			
	£		£		£
Deficit of revenue ...	12,765,300	Service funds ...	3,500	Deficit of revenue ...	14,497,200
Net public debt ...	1,843,400	Deposits and advances ...	590,000	Net debt	598,000
Net deposits and advances ...	1,802,300	Secretary of State's bills drawn	15,342,000	Net guaranteed railway capital	315,000
Net guaranteed railway capital	796,000	Balance decreased ...	904,700	Net miscellaneous remittances between India and England	1,340,000
Net miscellaneous remittances between India and England	1,376,900				
TOTAL ...	18,583,900	TOTAL ...	16,750,200	TOTAL ...	16,750,200

J. WESTLAND,
Comptroller General.

T. C. HOPE,
Secy. to the Govt. of India.

IX.—CLOSING BALANCES OF THE PROVINCIAL GOVERNMENTS.

	Actuals, 1880-81.				Regular Estimate, 1881-82.				Budget Estimate, 1882-83.			
	Provincial.	Local.	Local Deposits and Advances.	Total.	Provincial.	Local.	Local Deposits and Advances.	Total.	Provincial.	Local.	Local Deposits and Advances.	Total.
	£	£	£	£	£	£	£	£	£	£	£	£
India, General	...	6,416	175	6,591	...	2,100	200	2,300	...	—1,200	200	—1,000
Central Provinces	66,382	45,809	—942	111,249	145,700	35,500	—6,300	174,900	147,800	24,000	—6,300	165,500
British Burma	288,597	97,531	...	386,128	290,600	64,800	...	355,400	88,200	13,200	...	101,400
Assam	58,016	1,852	—1,851	58,017	98,900	2,000	—1,900	99,000	67,400	2,000	—1,900	67,500
Bengal	499,112	197,687	—2,964	693,835	708,500	169,300	12,000	890,100	84,600	93,800	27,000	205,400
North-Western Provinces and Oudh	666,561	258,592	—1,126	924,027	1,062,600	290,700	100	1,353,400	621,000	260,800	1,300	883,100
Punjab	150,314	96,583	—488	246,409	301,700	117,300	—500	418,500	178,300	118,800	—500	296,600
Madras	73,071	498,792	45,467	617,330	107,200	506,700	39,700	653,600	126,300	413,200	39,700	579,200
Bombay	148,003	144,746	—8	292,741	552,100	163,600	—300	715,400	286,400	104,900	—600	390,700
Total ...	1,950,056	1,348,008	38,263	3,336,327	3,267,600	1,352,000	43,000	4,662,600	1,600,000	1,029,500	58,900	2,688,400

Fort William;
Dept. of Finance and Commerce.
The 8th March 1882.

E. W. KELLNER,
Deputy Comptroller General.

J WESTLAND,
Comptroller General.

T. C. HOPE,
Secy. to the Govt. of India.

X.—STATEMENT SHOWING THE NET REVENUE AND EXPENDITURE OF INDIA.

In thousands of Conventional £.

REVENUE.	1880-81.	1881-82.		1882-83.	
				Budget.	
	Actuals.	Budget.	Regular.	Preliminary.*	Final.
	£	£	£	£	£
Land Revenue	18,129	18,756	18,733	18,394	18,319
Assessed Taxes	538	535	524	523	523
Customs	2,341	2,161	2,094	2,200	1,018
Salt	6,753	6,725	6,669	6,833	5,410
Opium	8,451	6,500	7,838	7,250	7,250
Excise	3,040	2,932	3,312	3,232	3,232
Stamps	3,143	3,176	3,219	3,223	3,223
Registration	108	104	102	93	98
Forest	243	199	220	228	228
Tributes and Contributions, Mint and Miscellaneous, less Refunds and Drawbacks	722	339	348	189	224
Provincial Rates	2,730	2,815	2,836	2,841	2,600
Provincial and Local Adjustments, Ordinary ...	—298	707	—652	1,990	1,990
Ditto, Special	...	...	—670	...	...
Total Net Revenue ...	45,900	44,949	44,573	47,001	44,115
Deficit ...	4,044	...	...	...	...
Total ...	49,944	44,949	44,573	47,001	44,115

EXPENDITURE.				1880-81	1881-82.		1882-83.	
							Budget.	
				Actuals.	Budget.	Regular.	Preliminary.*	Final.
				£	£	£	£	£
Administration				1,532	1,519	1,502	1,504	1,504
Law and Justice				2,516	2,687	2,538	2,688	2,688
Police				2,282	2,335	2,309	2,387	2,387
Education				828	915	878	972	972
Ecclesiastical				159	159	160	163	163
Minor Departments, Marine, Medical, Stationery and Printing—								
Post Office and Telegraph				1,789	2,201	2,250	2,175	2,175
Political, and Allowances, &c., under Treaties				2,430	2,505	2,595	2,459	2,459
Furlough and Superannuation, &c., Allowances				2,058	1,983	1,984	2,028	2,028
Army—								
Ordinary				15,794	15,645	16,150	15,260	15,260
	Actuals, 1880-81.	Budget Estimate, 1881-82.	Regular final.					
War and Frontier Railways...	13,060	3,000	1,553	10,365	...	—752	...	...
English Contribution for Afghan War	2,695	3,000	2,305					
Famine Relief and Insurance				35	1,500	1,500	1,500	1,500
Interest, exclusive of that for Productive Public Works				3,207	3,569	3,640	3,724	3,724
Loss by Exchange				2,717	3,063	3,294	2,775	2,775
Public Works, Ordinary				4,354	5,713	5,833	6,591	6,591†
Productive Public Works—				50,066	43,794	43,881	44,226	44,226
	Actuals, 1880-81.	Budget Estimate, 1881-82.	Regular, 1881-82.	Budget Preliminary.	Budget final.			
+Land & other Receipts	8,905	8,921	10,055	9,870	9,870			
—Interest and charges ...	8,783	9,221	9,170	9,474	9,474	—122	300	—885	+396	—396
Total Net Expenditure						49,944	44,094	42,996	43,830	43,830
Surplus ...						...	855	1,577	3,171	285
Total ...						49,944	44,949	44,573	47,001	44,115

* These figures show the Budget as it would stand if no remissions of taxation were made, and the payment of Patwaris in Oude was not undertaken by the State.

† Includes 223 Frontier Railways.

Fort William;
Dept. of Finance and Commerce,
The 8th March 1882.

E. W. KELLNER,
Deputy Comptroller General.

J. WESTLAND,
Comptroller General.

T. C. HOPE,
Secy. to the Govt. of India.

APPENDIX A.

TABLE I.—*Miscellaneous.*

	1875-76.	1876-77.	1877-78.	1878-79.	1879-80.	1880-81.	1881-82.	1882-83.
	£	£	£	£	£	£	£ Estimates.	£ Estimates.
DEFICIT of recorded Revenue compared with whole recorded Expenditure	2,601,684	5,992,062	8,334,139	2,337,507	4,547,279	7,700,644	2,114,000	2,965,000
PRODUCTIVE PUBLIC WORKS, Capital Expenditure	4,270,629	3,892,284	4,794,052	4,381,898	3,364,330	3,656,505	3,691,000	3,250,000
Recorded Revenue compared with the recorded Expenditure, excluding Expenditure on Productive Public Works—								
SURPLUS	1,668,945	.....	.....	2,044,391	.....	.....	1,577,000	285,000
DEFICIT	.....	2,182,778	3,543,087	.....	1,182,949	4,044,139	...	...
Net Public Debt incurred	4,109,522	4,750,145	7,345,416	4,199,268	5,105,160*	5,679,815	927,000	—1,188,000
NET PUBLIC DEBT incurred, including Capital transactions with Guaranteed Railway and other Companies and Native States, &c.	2,878,300	3,317,000	6,496,200	3,209,100	5,756,708	5,339,444	656,000	—1,645,000
Value of commodities exported, excluding Gold and Silver	58,091,000	61,014,000	65,222,000	60,937,000	67,212,000	74,581,000		
Value of commodities imported, excluding Gold and Silver	38,887,000	37,428,000	41,464,000	37,800,000	41,166,000	53,117,000		
EXCESS OF EXPORTS OVER IMPORTS, excluding Gold and Silver	19,204,000	23,586,000	23,758,000	23,137,000	26,046,000	21,464,000		
Net imports of Gold	1,545,000	207,000	468,000	(Exports) 896,000	1,750,000	3,655,000		
Net imports of Silver	1,553,000	7,199,000	14,676,000	3,970,000	7,870,000	3,893,000		
TOTAL NET IMPORTS OF GOLD AND SILVER	3,098,000	7,406,000	15,144,000	3,074,000	9,620,000	7,548,000		
Excess of Exports over Imports, including Gold and Silver	16,106,000	16,180,000	8,614,000	20,063,000	16,426,000	13,916,000		
Grand total value of Imports and Exports of all kinds	104,480,000	113,908,000	126,252,000	109 777,000	122,069,000	138,126,000		
SECRETARY OF STATE'S BILLS sold (Rupees) Rs.	13,75,00,000	14,85,70,000	11,69,85,000	18,78,21,000	18,95,71,000	18,32,77,000	21,23,48,000	18,71,10,000
Sterling Equivalent received £	12,890,000	12,696,000	10,134,000	15,465,000†	15,749,000‡	15,239,677	17,589,500§	15,592,500‖
SILVER coined at the Indian Mints	2,550,000	6,271,000	16,180,000	7,210,779	10,257,093	4,249,676	9,17,830	
Gold coined in Germany	12,756,000	2,873,000	7,112,000	5,475,340	1,509,877	...		
Silver coined in Germany	6,602,000	9,523,000	1,669,000	88,498	...	...		
Maximum PRICE OF AN OZ. TROY STANDARD SILVER IN LONDON	57⅜d. (27th April)	58⅛d. (18th Jan.)	55⅛ (8th Oct.)	54½d. (2nd April)	53¾ (Nov.)	52 13/16 (July)	52⅛	
Minimum ditto	52½d. (22nd March)	47d. (7th July)	53½ (21st June)	48½d. (21st Dec.)	49⅛ (April)	51 (Jan.)	50⅞ (July)	
Maximum price of a sovereign in Calcutta Rs.	11 12 0	13 (7th July)	11 14 0 (5th Sept.)	12 11 (March)	12 11 (May)	12 1·6	12 6-4	
Minimum ditto ,,	11	11 Rs. 3as. (6th Feb.)	11 4 0 (10th April)	11 11 (11th June)	11 15 (Jan.)	(throughout the year.)	(throughout).	
AVERAGE EXCHANGE upon Secy. of State's Bills sold per rupee £	1s. 9·64d.	1s. 8·49d.	1s. 8·79d.	1s. 7·761d.	1s. 7·94d.	1s. 7·956d.	1s. 7·88d.	1s. 8d.
Fixed RATE OF EXCHANGE for the ADJUSTMENT of transactions between the Indian and Imperial Treasuries	1s. 10⅛d.	1s. 9⅞d.	1s. 9⅛d.	1s. 9d.	1s. 7½d.	1s. 8⅛d.	1s. 8d.	1s. 8d.
Maximum RATE OF DISCOUNT ON LOANS on demand at the BANK OF BENGAL, Calcutta	9 (May)	11 (April)	12 (May)	9 (1st April)	9 (April)	7 (April)	9 (Feb.)	
Minimum ditto	4 (Nov.&Dec.)	5 (Aug. & Sept.)	(Dec.&Jan.)	3 (7th Nov.)	3 (Jan.)	3 (Nov. to Jan.)	4 (June)	
Maximum RATE OF DISCOUNT at the BANK OF ENGLAND	4 (Oct. & Jan.)	2 throughout the year	5 (Oct.&Nov.)	6 (Oct. & Nov.)	3 (Apl. to Oct.)	3 (April)	6 (Feb.)	
Minimum ditto	2 (Aug.)		2 subseqnently	2½ (30th May)	2 (Nov. to Feb.)	2½	2½ (throughout first half year)	
Maximum MONEY BALANCES of the three PRESIDENCY BANKS	7,041,800 (July)	6,382,700 (July)	7,574,900 (Jan.)	6,978,500 (July)	7,733,500 (Feb.)	7,472,500 (Feb.)	6,097,600(July)	
Minimum ditto	4,762,300 (May)	4,132,500 (Oct.)	3,672,200 (April)	4,589,800 (Jan.)	4,150,400 (April)	3,442,700 (March)	3,340,600 (Jan.)	
Maximum price in Calcutta of Govt. FOUR PER CENT. RUPEE SECURITIES	102 7/8 (3rd June)	102⅜ (25th July)	98½ (27th June)	97 (July & Aug.)	95¾ (July)	102½ (Mar.)	106 6 (June)	
Minimum ditto	99 (21st March)	96¼ (13th Jan.)	92 (8th Sept.)	91⅛ (March)	91¼ (May)	99 10 (May)	99 8 (Aug.)	
Maximum amount outstanding on London Register of RUPEE SECURITIES ENFACED FOR INTEREST DRAFTS	14,407,861 (Oct.)	14,125,982 (April)	14,588,744	15,950,092 Feb.)	19,431,239 (Mar.)	19,739,473 (June)	21,328,200 (Feb)	
Minimum ditto	14,111,441 (April)	12,655,322 (Dec.)	13,057,964	13,826,493 (Oct.)	15,908,182 (May)	18,719,445 (Jan)	19,013,628(Apl)	
Maximum price in London of such securities (in Gold)	93½ (7th April)	92 (15th Dec.)	84⅜ (5th April)	81¾ (1st April)	80⅜ (Oct.)	84¼ (Feb.)	87 (July)	
Minimum ditto	82 (4th March)	77 (6th July)	81¼ (23rd Jan.)	72 (23rd Oct.)	77½ (May)	78 (May)	82½ (Sep.)	
Maximum price in London of Secretary of State's FOUR PER CENT. STERLING BONDS	106½ 5th Aug.)	104¾ (22nd Feb.)	104½ 30th Aug.)	104½(July&Aug.)	105½	105¾ (Jan.)	106⅝ (July)	
Minimum ditto	102¾(3rd June)	101 (20th Oct.	103⅝ (21st Mar.	97 (Oct.)	100⅝	101¾ (Sep.)	103⅞ (Sep.)	
Maximum GOVERNMENT PAPER CURRENCY outstanding	12,161,224 (22nd Oct.)	12,551,185 (7th Feb.)	15,757,790 (15th Jan.)	14,584,900 (Sept.)	14,329,700 (Jan.)	14,513,100 (Dec.)	14,422,600(Sep)	
Minimum ditto	10,668,628 (7th May)	10,532.294 (15th May)	11,130,528 (30th April)	11,423,600 (March)	11,113,800 (June)	12,528,400 (Apl.)	12,877,900(Apl)	
Number of SAVINGS BANKS	330	340	343	338	371	388	363	
Number of Depositors in Savings Banks	73,401	80,004	83,518	84,503	91,288	107,778	113,295	
Amount deposited in Savings Banks	1,895,452	1,936,193	1,925,335	1,912,401	2,282,823	3,213,671	3,188,370	
Average of each Deposit	25	24	23	22	25	29	28	
Net addition to Deposits	148,659	40,741	10,858 (Decrease)	12,934 (Decrease)	370,422	930,848	25,301 (Decrease).	
Cash Reserve at the BANK OF FRANCE in December of each year —in 000's of Francs	1,679,300	2,169,000	2,042,500	2,041,700	1,979,017	1,786,873	1,817,164	
Silver ditto ditto	505,000	638,600	865,400	1,058,100	1,220,501	1,222,604	1,161,468	
Percentage of Silver on the Total Reserve	31	30	43	52	62	68	64	

* Exclusive of £9,730,862, Debt incurred for the purchase of the East Indian Railway.

† Includes £1,516,193, amount remitted by Bills of Exchange on India.

‡ Includes £486,147, Gold remittances from India.

§ Includes £65,000 Hong Kong Bills.

‖ Includes £250,000 Hong Kong Bills.

APPENDIX A—*contd.*

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE II.—*Sea-borne Trade for the Year.*

(Principal articles arranged in order of their declared value).

No.	EXPORTS.	1876-77.	1877-78.	1878-79.	1879-80.	1880-81.
1	COTTON—					
	Raw—					
	Quantity ... ... Cwt.	4,557,914	3,459,077	2,966,060	3,948,476	4,541,539
	Value ... ... £	11,746,184	9,383,534	7,913,046	11,145,453	13,241,734
	Average declared value per lb.— Annas	As. 3 8	As. 3 10	As. 3 10	As. 4 0	As. 4 2
	Average declared value per lb.— Pence, at average exchange	4·71	4·98	4·73	4·98	5·20
	Twist and Yarn—					
	Quantity ... ... Lbs.	7,926,710	15,600,291	21,332,508	25,862,474	26,901,346
	Value ... ... £	367,303	682,059	886,481	1,109,234	1,282,576
	Average declared value per lb. ... ... Annas	As. 7 5	As. 7 0	As 6 7	As. 6 10	As. 7 8
	Other manufactures—Value ... ... £	445,079	460,674	511,498	512,513	626,558
	Average declared value per yard— Grey or unbleached ... Annas	As. 2 6	As. 2 3	As. 2 1	As. 2 0	As. 2 0
	Average declared value per yard— Coloured, printed, or dyed ... ,,	As. 5 3	As. 4 10	As. 4 7	As. 4 5	As. 4 9
	Percentage of manufactures on whole value exported	6·47	10·85	15·01	12·70	12·60
2	OPIUM—					
	Quantity ... ... Chests	96,870	92,820	91,200	105,507	92,190
	Value ... ... £	12,404,748	12,374,355	12,993,979	14,323,314	13,600,148
	Average declared value per chest, in Rupees ... Rs.	1,281	1,333	1,425	1,358	1,475
3	RICE and PADDY—					
	Quantity ... ... Cwt.	19,914,334	18,428,386	21,237,233	22,165,765	27,266,040
	Value ... ... £	5,815,221	6,950,276	8,973,722	8,402,502	9,057,153
	Average declared value of husked rice per cwt.— Rupees	2 15 1	3 12 6	4 4 4	3 12 11	3 5 7
	Average declared value of husked rice per cwt.— Shillings, at average exchange ...	5·02	6·55	7·03	6·33	5·57
4	SEEDS—					
	Quantity ... ... Cwt.	9,582,865	12,187,020	7,200,977	7,091,469	10,229,109
	Value ... ... £	5,319,124	7,360,284	4,675,036	4,685,893	6,345,209
	Average declared value of Linseed per cwt.— Rupees	5 5 11	5 13 10	6 3 11	6 8 8	6 2 8
	Average declared value of Linseed per cwt.— Shillings, at average exchange ...	9·17	10·16	10·28	10·87	10·26
5	JUTE—					
	Raw and manufactured—Value ... ... £	3,356,124	4,289,241	4,898,860	5,565,394	5,064,701
	Average declared value of Raw Jute per cwt.— Rupees	5 13 1	6 7 3	6 5 0	6 8 8	6 12 4
	Average declared value of Raw Jute per cwt.— Shillings, at average exchange ...	9·94	11·18	10·39	10·87	11·26
	Percentage of manufactures on whole value exported	21·43	17 97	22·42	21·48	22·32
6	HIDES AND SKINS—					
	Quantity ... ... No.	19,792,877	22,916,317	21,223,403	24,291,356	23,395,702
	Value ... ... £	2,998,684	3,756,888	3,096,847	3,738,005	3,738,565
	Percentage of dressed or manufactured to whole value ...	49·77	48·29	42·06	36·35	43·23
7	INDIGO—					
	Quantity ... ... Cwt.	100,384	120,605	105,051	100,923	116,870
	Value ... ... £	2,962,785	3,494,334	2,960,462	2,947,227	3,571,581
	Average declared value per cwt.— Rupees	295 2 4	289 11 9	281 13 0	292 0 5	305 9 8
	Average declared value per cwt.— Sterling at average exchange £	25·19	25·09	23·20	24·26	25·41
8	WHEAT—					
	Quantity ... ... Cwt.	5,583,336	6,340,150	1,044,709	2,195,550	7,444,375
	Value ... ... £	1,956,332	2,856,990	513,778	1,131,015	3,277,942
	Average declared value per cwt.— Rupees	3 8 0	4 8 1	4 14 8	5 1 8	4 6 5
	Average declared value per cwt.— Shillings, at average exchange ...	5·98	7·80	8·09	8·48	7·32
9	TEA—					
	Quantity ... ... Lbs.	27,784,124	33,459,075	34,432,573	38,173,521	46,413,510
	Value ... ... £	2,607,425	3,044,571	3,138,424	3,051,020	3,054,240
	Average declared value per lb.— Annas	As. 15 0	As. 14 6	As. 14 7	As. 12 9	As. 10 6
	Average declared value per lb.— Shillings, at average exchange ...	1·60	1·57	1·50	1·33	1·09
10	COFFEE—					
	Quantity ... ... Cwt.	302,489	297,327	341,186	359,313	369,357
	Value ... ... £	1,345,822	1,338,499	1,543,643	1,626,747	1,599,669
	Average declared value per cwt.— Rupees	44 7 10	45 0 3	45 3 11	45 4 5	43 4 11
	Average declared value per cwt.— Shillings at average exchange ...	75·97	77·98	74·50	75·23	72·02
11	WOOL—					
	Raw and manufactured—Value ... ... £	1,293,490	1,151,518	1,243,275	1,242,486	1,224,412
	Average declared value of Raw Wool per lb.— Annas	As. 7 2	As. 6 6	As. 6 4	As. 6 8	As. 7 2
	Average declared value of Raw Wool per lb.— Pence, at average exchange... ...	9·22	8·44	7·82	8·31	8·94
12	SILK—					
	Raw and manufactured—Value ... ... £	1,000,566	854,629	746,687	744,659	771,016
	Average declared value of Raw Silk per lb.— Rupees	5 7 8	4 10 5	4 4 7	3 10 11	4 3 4
	Average declared value of Raw Silk per lb.— Shillings, at average exchange ...	9·25	8·06	7·06	6·12	7·09
13	OILS—					
	Value... ... ... £	377,740	371,552	537,579	569,453	581,139
14	LAC—					
	Value ... ... £	536,976	362,048	298,716	371,496	578,320
15	TEAK WOOD—					
	Quantity ... ... Cubic Tons	45,108	56,939	37,413	38,620	65,626
	Value ... ... £	332,764	406,652	268,959	281,959	500,047
	Average declared value per cubic ton— Rupees	73 12 4	71 6 8	71 14 3	73 0 2	76 3 2
	Average declared value per cubic ton— Sterling, at average exchange £	6·29	6·19	5·92	6·07	6·34
16	SALTPETRE—					
	Quantity ... ... Cwt.	466,218	389,002	382,405	509,372	352,995
	Value ... ... £	381,706	379,002	361,766	469,797	351,728
	Average declared value per cwt.— Rupees	8 3 0	9 11 11	9 7 4	9 3 7	9 15 5
	Average declared value per cwt.— Shillings at average exchange ...	13·96	16·88	15·57	15·33	16·57
17	SUGAR—					
	Value ... ... £	925,196	745,851	204,360	205,871	311,751

APPENDIX A—*contd.*

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE II.—*Sea-borne Trade for the Year*—continued.

No.	IMPORTS.		1876-77.	1877-78.	1878-79.	1879-80.	1880-81.
1	COTTON—						
	Twist and Yarn—						
	Quantity	Lbs.	33,270,208	36,196,661	33,145,651	33,212,952	45,877,379
	Value	£	2,733,535	2,850,616	2,779,774	2,745,306	3,699,273
	Average declared value per lb. { Annas		13·14	12·60	13·42	13·23	12·90
	{ Pence, at average exchange		1*s.* 4·83*d.*	1*s.* 4·37*d.*	1*s.* 4·57*d.*	1*s.* 4·48*d.*	1*s.* 4·09*d.*
	Other manufactures—						
	Value	£	16,012,932	17,332,639	14,137,694	16,923,747	22,914,314
	TOTAL COTTON GOODS—Gross Imports ...	£	18,746,467	20,183,255	16,917,468	19,669,053	26,613,587
	Re-exports—						
	Twist and Yarn—						
	Quantity	*Lbs.*	*839,539*	*934,437*	*754,648*	*842,239*	*625,840*
	Value	*£*	*58,423*	*62,733*	*51,217*	*54,712*	*47,475*
	Other manufactures—						
	Value	*£*	*1,064,392*	*1,089,614*	*1,132,627*	*1,061,457*	*1,151,417*
	Total Re-exports ...	*£*	*1,122,815*	*1,152,347*	*1,183,844*	*1,116,169*	*1,198,892*
	TOTAL COTTON GOODS—Net Imports ...	£	17,623,652	19,030,908	15,733,624	18,552,884	25,414,695
2	METALS	Value £	3,722,165	3,736,958	3,372,903	3,444,195	3,846,996
3	RAILWAY PLANT AND ROLLING-STOCK	„ „	1,194,145	1,727,560	1,491,831	1,528,497	2,742,689
4	SILK (Raw and Manufactured)	„ „	1,036,684	1,482,951	1,491,285	1,521,126	2,417,402
5	SUGAR	„ „	403,556	798,036	1,480,880	1,068,788	1,611,157
6	LIQUORS	„ „	1,585,345	1,683,655	1,372,487	1,496,108	1,537,812
7	WOOLLEN MANUFACTURES	„ „	911,890	955,142	961,666	1,028,450	1,466,121
8	COAL (excluding coke and patent fuel)—						
	Quantity	Tons.	523,384	603,731	473,027	587,634	712,020
	Value	£	918,309	1,004,942	881,444	1,125,482	1,280,060
	Average declared value per ton— { Rupees		17·54	16·64	18·63	19·15	17·98
	{ Shillings, at average exchange ...		30·34	28·83	30·68	31·82	29·90
9	PROVISIONS...	Value £	661,059	858,797	975,835	1,048,832	920,181
10	MACHINERY AND MILL-WORK	„ „	963,504	873,960	893,875	644,192	835,503
11	APPAREL	„ „	542,915	579,106	546,089	561,293	688,403
12	SALT—						
	Quantity	Tons.	298,776	254,231	274,180	352,238	373,376
	Value	£	430,890	401,366	593,612	762,532	665,517
	Average declared value per ton— { Rupees		14·42	15·78	21·65	21·65	17·82
	{ Shillings, at average exchange ...		24·62	27·35	35·65	35·97	29·63
13	SPICES	Value £	432,989	488,884	509,043	526,328	542,861
14	OILS	„ „	78,413	295,667	369,865	545,931	529,175

TABLE III.—*Sea-borne Trade for the first Ten Months of the Year.*

(Principal articles arranged in order of their declared value.)

	1877-78.	1878-79.	1879-80.	1880-81.	1881-82.
	£	£	£	£	£
Value of commodities Exported, excluding gold and silver	52,210,342	47,821,206	51,518,840	58,278,889	64,518,336
Value of commodities Imported, excluding gold and silver	34,457,473	32,426,305	33,530,283	44,019,148	40,975,795
Excess Exports ...	17,752,869	15,394,901	17,988,557	14,259,741	23,542,541
Net Imports of silver	13,117,467	2,187,577	6,681,284	3,331,588	2,846,788
Net Imports of gold	278,765	—482,078	1,388,522	2,958,798	4,214,854
TOTAL NET IMPORTS OF GOLD AND SILVER ...	13,396,232	1,705,499	8,069,806	6,290,386	7,061,642
GRAND TOTAL IMPORTS AND EXPORTS OF ALL KINDS ...	104,112,057	88,090,522	96,913,709	111,081,061	114,406,777

APPENDIX A—*contd.*

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE III.—*Sea-borne Trade for the first Ten Months of the Year*—continued.

No.	EXPORTS.			TEN MONTHS, 1ST APRIL TO 31ST JANUARY				
				1877-78.	1878-79.	1879-80.	1880-81.	1881-82.
1	COTTON, RAW	Quantity	Cwt.	2,585,377	2,281,507	2,895,634	3,399,355	3,855,588
		Value	£	6,949,554	6,149,132	7,989,392	10,045,853	10,290,948
		Average value per lb.	Rs.	0-3-10	0-3-10	0-3-11	0-4-3	0-3-10
	„ MANUFACTURES—							
	Twist and Yarn	Quantity	Lbs.	12,779,989	18,306,631	20,446,026	22,632,378	26,346,512
		Value	£	558 913	767,675	854,727	1,076,159	1,185,811
		Average value per lb. ...	Rs.	0-6-11	0-6-8	0-6-8	0-7-7	0-7-2
	Other manufactures—Value		£	392,895	431,844	420,627	526,904	540,963
	TOTAL COTTON (RAW AND MANUFACTURED) ...		£	7,901,362	7,348,651	9,264,746	11,648,916	12,017,722
2	OPIUM ...	Quantity	Chests	77,387	76,165	91,082	75,444	75,959
		Value	£	10,264,066	10,917,614	12,299,005	11,115,263	10,656,680
		Average value per chest	Rs.	1,326-5-3	1,433-6-8	1,350-5-2	1,473-5-0	1,402-15-3
3	WHEAT ...	Quantity	Cwt.	6,206,669	1,035,857	1,810,650	6,292,924	18,052,526
		Value	£	2,790,304	508,125	917,109	2,762,759	7,844,119
		Average value per cwt.	Rs.	4-7-11	4-14-6	5-1-0	4-6-3	4-5-6
4	RICE AND PADDY.	Quantity	Cwt.	10,186,650	12,420,606	12,723,419	16,369,942	17,765,895
		Value	£	4,017,310	5,699,274	5,150,492	5,690,268	5,398,390
		Average value per cwt.	Rs.	3-15-1	4-9-5	4-0-9	3-7-7	3-0-7
5	SEEDS ...	Quantity	Cwt.	11,239,493	6,357,845	5,766,213	8,700,116	8,535,775
		Value	£	6,758,930	4,089,485	3,764,064	5,369,367	4,985,915
		Average value per cwt.	Rs.	6-0-2	6-6-11	6-8-5	6-2-9	5-13-6
6	JUTE (Raw and Manufactured)—Value ...		£	3,679,332	4,076,573	4,539,802	4,172,591	4,857,656
7	INDIGO ...	Quantity	Cwt.	90,577	64,514	78,533	87,477	115,725
		Value	£	2,632,728	1,767,026	2,256,424	2,734,908	3,531,771
		Average value per cwt.	Rs.	290-10-7	273-15-0	287-5-2	312-10-3	305-2-11
8	TEA ...	Quantity	Lbs.	30,306,610	30,692,313	34,273,392	42,347,398	43,667,412
		Value	£	2,770,735	2,808,432	2,749,011	2,797,637	3,261,579
		Average value per lb.	Rs.	0-14-7	0-14-8	0-12-10	0-10-7	0-11-11
9	HIDES AND SKINS.	Quantity	Cwt.	709,852	630,278	709,708	632,180	637,183
		Value	£	2,990,696	2,455,043	2,785,714	2,919,811	3,099,954
		Average value per cwt.	Rs.	42-2-1	38-15-2	39-4-0	46-3-0	48-10-5
10	COFFEE ...	Quantity	Cwt.	191,693	201,626	188,171	269,445	204,121
		Value	£	846,358	885,939	833,663	1,160,862	858,252
		Average value per cwt.	Rs.	44-2-5	43-15-0	44 4-10	43-1-4	42-0-9
11	WOOL (Raw and Manufactured)—Value		£	939,198	1,049,930	1,007,620	1,045,637	827,203
12	LAC		£	299,599	234,712	220,109	414,104	538,509
13	SUGAR		£	673,022	184,724	156,542	279,767	511,156
14	SILK (Raw and Manufactured)—Value		£	766,098	607,139	584,584	581,255	502,787
15	TEAK ...	Quantity	Cubic tons	44,153	34,115	30,835	52,822	48,569
		Value	£	311,678	247,752	222,883	398,647	434,522
		Average value per cubic ton ...	Rs.	70-2-9	72-9-11	72-4-6	75-7-6	89-7-5
16	OILS		£	308,569	424,437	457,190	433,080	370,265
17	SALTPETRE ...	Quantity	Cwt.	311,682	311,091	421,245	301,985	271,558
		Value	£	304,068	296,222	386,478	298,924	276.184
		Average value per cwt.	Rs.	9-12-1	9-8-4	9-2-10	9-14-4	10-2-8

APPENDIX A—*contd.*

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE III.—*Sea-borne Trade for the first Ten Months of the Year*—concluded.

No.	IMPORTS.		Ten Months, 1st April to 31st January.				
			1877-78.	1878-79.	1879-80.	1880-81.	1881-82.
1	COTTON— Twist and yarn ... Quantity	Lbs.	30,872,371	29,736,857	27,309,908	38,777,313	34,326,157
	Value	£	2,425,336	2,480,030	2,248,420	3,133,285	2,706,394
	Average value per lb. ...	Rs.	0-12-7	0-13-4	0-13-2	0-12-11	0-12-7
	Ditto in sterling at average exchange	..,	1s. 4½d.	1s. 4½d.	1s. 4½d.	1s. 4d.	1s. 3⅝d.
	Other manufactures—Value	£	14,512,524	12,274,502	13,819,121	18,908,436	17,205,010
	TOTAL COTTON GOODS—Gross Imports ...	£	16,937,860	14,754,532	16,067,541	22,041,721	19,911,404
	Re-exports—						
	Twist and yarn ... Quantity	*Lbs.*	*736,160*	*651,373*	*730,083*	*479,928*	*632,768*
	Value	*£*	*49,811*	*44,508*	*47,720*	*36,840*	*43,563*
	Average value per lb. ...	*Rs.*	*0-10-10*	*0-10-11*	*0-10-5*	*0-12-3*	*0-11-0*
	Other manufactures—Value	*£*	*875,357*	*966,712*	*857,854*	*899,570*	*1,018,796*
	Total Re-exports	*£*	*925,168*	*1,011,220*	*905,574*	*936,410*	*1,062,359*
	TOTAL COTTON GOODS—Net Imports... ...	£	16,012,692	13,743,312	15,161,967	21,105,311	18,849,045
2	METALS	Value £	3,008,118	2,919,762	2,849,490	3,100,352	2,911,296
3	RAILWAY PLANT AND ROLLING-STOCK	„ „	1,227,159	1,249,238	1,080,073	2,278,383	1,899,919
4	SILK (Raw and Manufactured)	„ „	1,271,782	1,308,615	1,263,584	2,046,391	1,748,234
5	LIQUORS	„ „	1,431,367	1,113,119	1,248,620	1,257,911	1,203,906
6	WOOLLEN MANUFACTURES	„ „	849,529	846,254	901,663	1,315,961	1,166,313
7	SUGAR	„ „	657,043	1,137,030	853,947	1,339,169	1,071,975
8	MACHINERY AND MILLWORK	„ „	724,078	781,963	549,056	650,035	985,866
9	PROVISIONS	„ „	714,619	831,861	883,442	769,765	894,292
10	COAL (excluding Coke and Patent Fuel)— Quantity	Tons	469,270	377,684	449,267	514,951	528,290
	Value	£	764,610	708,320	860,501	945,191	835,022
	Average value per ton	Rs.	16-4 8	18-12-1	19-2-5	18-5-8	15-12-11
11	APPAREL	Value £	491,306	464,159	466,912	587,827	573,682
12	SALT ... Quantity	Tons	217,202	223,563	277,156	321,146	303,541
	Value	£	324,628	477,375	611,324	562,651	491,246
	Average value per ton	Rs.	14-15 1	21-5-7	22-0-9	17-8-4	16-2-11
13	OILS	Value £	253,369	289,122	445,185	479,508	444,411
14	SPICES	„ „	389,649	430,862	406,200	462,766	425,013

TABLE IV.—*Wholesale Prices of typical commodities in Gold and Silver in London and Calcutta in December of each year.*

(*Prices of March 1873=100.*)

IN LONDON—(*prices quoted from the* LONDON ECONOMIST.)	Measured in Gold.							Measured in Silver.*						
	1875.	1876.	1877.	1878.	1879.	1880.	1881.	1875.	1876.	1877.	1878.	1879.	1880.	1881.
Scotch Pig Iron (Warrants) ...	54	49	43	36	55	43	44	58	51	48	44	63	50	51
Coals, Hetton, Wallsend (London) ...	75	57	55	60	50	52	51	79	59	61	72	57	60	59
Copper, Chili Bars	92	85	74	64	74	68	79	98	90	82	77	85	78	91
Straits Tin	56	52	45	42	62	63	76	60	54	50	50	71	73	88
Wheat	83	91	94	72	85	77	80	88	96	104	87	97	89	92
Flour, town-made	90	82	98	69	86	81	91	96	86	109	83	98	93	105
Beef, inferior	128	98	85	90	85	100	97	136	102	94	108	97	116	112
Cotton, No. 40, Mule Twist	86	80	71	61	77	75	77	91	84	78	73	87	87	89
Wool, Southdown Hogs	85	80	76	65	71	76	68	91	85	84	78	81	87	78
Sugar, Foreign Muscovado	77	113	74	80	95	80	71	82	119	82	96	108	92	82
Coffee	105	101	98	73	88	71	64	111	106	109	88	94	81	74
Saltpetre	83	87	98	89	96	102	105	88	92	109	108	110	118	121
Gold	...	...	...	...	...	...	...	106	105	111	120	114	115	115
Silver	94	95	90	83	88	86	87	...	...	...	...	...	...	...
IN CALCUTTA (*prices quoted from the* CALCUTTA PRICE CURRENT.)														
Grey Shirtings (8¼ lbs.)								84	78	73	74	81	80	78
Mule Twist, White, good, No. 40								87	87	75	75	88	83	81
„ „ Turkey red, No. 40 (12 lbs.)								94	85	85	78	77	69	69
„ „ Orange, No. 40—60								87	90	83	73	87	88	85
Copper, Sheathing								102	93	83	80	87	80	87
Iron, flat, bolt, bar and square								78	68	60	56	76	56	65
Spelter, hard								148	143	130	107	121	95	96
Hides, buffalo, slaughtered								75	104	75	69	96	93	88
Indigo, good								90	110	86	100	119	105	113
Jute, picked								125	150	147	153	169	148	140
Lacdye, fine								55	69	58	54	73	49	36
Shell Lac, fine orange								119	68	49	56	153	122	93
Linseed, fine bold clean								92	102	106	*Nil*	120	104	93
Rice, Ballam								135	159	168	259	153	103	97
Silk, raw, Cossimbazar								40	98	80	69	87	80	86
Tea, good Souchong								104	123	100	77	82	64	82
Wheat, Doodiah								78	96	104	109	109	92	92
Gold								102	103	105	109	110	115	115

* The values measured in silver in London have been calculated from the values in gold on the basis of the price of standard silver in London.

APPENDIX A—*contd.*

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE V.—*Actual CAPITAL EXPENDITURE on STATE RAILWAYS in 1880-81, and estimated expenditure on such works in 1881-82 and 1882-83 and to the end of 1882-83.*

	Accounts, 1880-81.	1881-82, Regular Estimate.	1882-83, Budget Estimate.	To end of 1882-83.	Sanctioned outlay.	Balance remaining unspent.
	£	£	£	£	£	£
East Indian	418,435	1,035,000	485,000	11,675,000	...	...
Rajputana	277,338	309,450	468,930	8,235,000	8,235,000	...
Western Rajputana	458,669					
Sindia-Neemuch	77,828	52,700				
Neemuch-Nasirabad	363,436	264,300				
Sindia	53,118	35,000	20,000	889,000	889,000	....
Holkar	13,078	24,600	11,300	1,285,000	1,285,000	....
Wurdah Coal	13,331	16,130	15,500	609,000	609,000	....
Nagpur-Chattisgurh	204,403	242,020	97,160	926,000	1,037,460	111,460
Rangoon and Irrawaddy Valley	15,183	26,700	41,700	1,331,000	1,331,000	...
Rangoon and Sittang Valley	...	205,570	376,100	582,000	1,170,000	588,000
Northern Bengal	35,764	—7,700	1,500	2,103,000	2,103,000	...
Tirhoot	48,320	—18,300	28,450	604,000	604,000	...
Tirhoot Extension	5,496	317,900	316,750	642,000	600,000	—42,000
Patna and Gya	30,981	22,170	18,450	398,000	398,000	...
Nalhatti	—260	—860	— 300	33,000	33,000	...
Calcutta and South-Eastern	8,508	—2,500	—2,450	677,000	677,000	....
Cawnpore-Farakhabad	106,895	20,267	5,000	330,000	330,000	....
Ghazipore-Dildarnagar	14,120	8,500	10,000	78,000	78,000	....
Muttra-Hathras	—915	640	150	109,000	109,000	....
Muttra-Achneyra	40,870	20,710	...	67,000	67,000	....
Bareilly-Philibhit*	...	...	25,000	25,000	25,000*	....
Dhond and Manmad	—33,889	3,330	12,750	1,010,000	1,010,000	...
Indus Valley	280,290	321,950	262,175	6,993,000	6,993,000	...
Punjab Northern	617,826	120,600	34,700	4,569,000	4,569,000	...
Amritsur-Pathankot	...	20,000	180,000	200,000	450,000	250,000
Stores and Reserve	—76,770	—66,277	—55,165	155,000	...	—155,000
PRODUCTIVE PUBLIC WORKS outlay	2,553,620	1,936,900	1,867,700	31,850,000	32,602,460	752,460
Railways constructed wholly from ORDINARY FUNDS—						
Frontier Railways—						
Punjab Northern, Northern Section	1,021,508	1,093,200	182,500	2,605,000	...	..
Kandahar ... Upper section	380,440	—596,000	...	...	...	....
Kandahar ... Lower „	405,547	179,550	30,800	1,328,000	...	....
Stores and Reserve, &c.	486,120	—468,910	9,700	165,000	...	....
Bhopal	...	70,000	55,000	125,000	125,000	...
Sonarpur-Diamond-Harbour	12,152	100,000	88,800	201,000	235,980	34,980
Parbatipore-Dinagepore	...	25,000	60,000	85,000	119,108	34,108
Cawnpore-Farakhabad Extension*	...	...	100,000	100,000*	...	....
Jumna Bridge*	...	...	30,000	30,000*	...	...
Patri Salt Branch	...	...	...	82,000	90,000	8,000
Total ORDINARY ...	2,305,767	403,740	556,800	4,721,000	...	...
GRAND TOTAL ...	4,859,387	2,340,640	2,424,500	36,571,000	...	...

* Estimates not yet sanctioned.

APPENDIX A—*contd.*

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE VI.—*Actual Capital Expenditure on works of Irrigation, &c., for which Capital and Revenue Accounts are kept, in 1880-81, and estimated Expenditure on such works in 1881-82, 1882-83, and to the end of 1882-83, &c.*

	1880-81, Actuals.	1881-82, Regular Estimate.	1882-83, Budget Estimate.	To end of 1882-83.			Estimated cost (current sanctions.)	Balance of current sanctions remaining to be spent.
				Outlay against current sanctions.	Outlay against sanctions that have expired.	Total.		
	£	£	£	£	£	£	£	£
PRODUCTIVE PUBLIC WORKS—								
Orissa canals	45,059	52,500	60,600	2,035,700	...	2,035,700	1,969,900	...
Midnapore canal	23,045	20,000	29,800	821,900	...	821,900	824,900	3,000
Tidal canal	...	...	...	177,300	...	177,300	177,300	...
Sone canal	82,140	67,500	49,600	2,375,200	...	2,375,200	2,736,300	361,100
Ganges canal	20,541	30,000	51,100	658,800	1,982,900	2,641,700	991,300	332,500
Agra canal	2,926	5,000	7,400	792,500	...	792,500	800,800	8,300
Lower Ganges canal	172,382	(c)120,000	129,500	2,090,800	360,300	2,451,100	2,553,500	462,700
Eastern Jumna canal	(a)	5,000	12,000	81,700	197,600	279,300	146,600	64,900
Western Jumna canal	49,700	57,400	60,000	547,100	311,900	859,000	759,700	212,600
Bari Doab canal...	525	1,800	6,300	360,200	1,143,400	1,503,600	508,800	148,600
Other projects	217,632	287,800	490,900	...	...	5,126,800	...	...
TOTAL ...	614,450	647,000	897,200	...	...	19,064,100	...	...
IRRIGATION AND NAVIGATION WORKS—								
(Not classed as Productive Public Works)—								
Eastern Jumna canal	6,358	(b)	(b)	(b)	(b)	(b)	(b)	...
Other projects	208,599	214,000	203,400	...	...	3,244,000	...	...
TOTAL ...	214,957	214,000	203,400	...	...	3,244,000	...	...
GRAND TOTAL ...	829,407	861,000	1,100,600	...	...	22,308,100	...	...

(a) Shown under Irrigation and Navigation.
(b) Transferred to head Productive Public Works.
(c) Includes Rs. 1,00,000, additions sanctioned by the Government of India.

APPENDIX A—*contd.*

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE VII.—*Gross Earnings, Working Expenses and Net Traffic Earnings of Guaranteed and State Railways to the end of 1880-81, with Regular Estimates for 1881-82 and Budget Estimates for 1882-83.*

	ACTUALS.					Regular Estimates, 1881-82.	Budget Estimates, 1882-83.
	1876-77.	1877-78.	1878-79.	1879-80.	1880-81.		
GUARANTEED RAILWAYS.							
Open mileage at beginning of year	4,308	4,495	4,532	4,541	4,569	4,600	4,600
Gross earnings.	£	£	£	£	£	£	£
East Indian	...	...	...	...	†18,660	...	...
Eastern Bengal	387,620	512,204	478,168	534,503	564,194	645,000	610,000
Madras	913,924	1,175,479	713,611	683,419	657,887	660,000	660,000
South Indian	230,248	341,467	334,795	357,154	377,290	377,500	388,000
Bombay, Baroda and Central India	727,917	835,860	794,367	777,224	888,794	1,030,000	1,120 000
Great Indian Peninsula	3,009,666	3,737,727	3,221,746	2,717,443	2,865,799	3,500,000	3,400,000
Oudh and Rohilkund	403,362	629,316	552 706	472,410	514,783	550,000	590,000
Scinde, Punjab and Delhi	1,085,138	1,252,560	1,298,414	1,791,478	2,013,528	1,500,000	1,500,000
TOTAL ...	6,757,875	8,484,613	7,393,807	7,333,631	7,900,935	8,262,500	8,268,000
Working expenses.							
Eastern Bengal	185,568	203,438	240,713	283,034	295,698	345,000	352,500
Madras	625,623	819,082	551,076	456,984	460,256	460,000	480,000
South Indian	125,755	182,275	257,097	261,834	240,113	257,500	248,000
Bombay, Baroda and Central India	394,689	424,253	478,968	448,183	511,789	450,000	480,000
Great Indian Peninsula	1,652,220	1,961,167	1,855,875	1,763,109	1,661,963	1,700,000	1,750,000
Oudh and Rohilkund	253,958	429,913	323,254	318,341	307,584	355,000	375,000
Scinde, Punjab and Delhi	867,598	818,328	951,500	1,325,799	1,510,219	1,205,000	1,110,000
TOTAL ...	4,108,411	4,835,456	4,658,483	4,857,284	4,987,622	4,772,500	4,795,500
Net Traffic earnings.							
East Indian	...	...	...	...	†18,660	...	...
Eastern Bengal	202,052	308,766	237,455	251,469	268,496	300,000	257,500
Madras	288,301	356,397	162,535	226,435	197,631	260,000	180,000
South Indian	104,493	159,192	77,698	95,320	137,177	120,000	140,000
Bombay, Baroda and Central India	333,228	411,607	315,399	329,041	377,005	580,000	640,000
Great Indian Peninsula	1,357,446	1,776,560	1,365,871	954,334	1,203,836	1,800,000	1,650,000
Oudh and Rohilkund	146,404	199,403	229,452	154,069	207,199	195,000	215,000
Scinde, Punjab and Delhi	217,540	437,232	346,914	465,679	503,309	295,000	390,000
TOTAL ...	2,649,464	3,649,157	2,735,324	2,476,347	2,913,313	3,490,000	3,472,500
STATE RAILWAYS.							
EAST INDIAN RAILWAY.							
Open mileage at beginning of year	1,503	1,503	1,503	1,503	1,504	1,504	1,504
Gross earnings	4,116,900	4,809,785	4,405,367	4,611,878	4,252,841	4,600,000	4,346,400
Working expenses	1,652,231	1,797,288	1,861,906	1,516,487	1,482,316	1,490,000	1,686,400
Net Traffic earnings	2,464,669	3,012,497	2,543,461	3,095,391	2,770,525	3,110,000	2,660,000
Other State Railways.							
Open mileage at beginning of year	683	806	1,287	2,014	2,489	3,030	3,310
Gross earnings.							
Rents of premises on account of the East Indian Railway realised in England	...	...	...	...	230	500	200
Rajputana and Western Rajputana (Northern Section).	239,349	261,434	330,077	379,397	460,327	785,000	1,150,000
Western Rajputana (Southern Section)	...	...		17,244			
Holkar and Neemuch	39,272	62,666	93,511	120,392	151,622	200,000	
Sindia	...	1,319	10,812	10,556	22,880	32,500	35,000
Wurdah Coal	3,685	10,639	11,373	29,775	24,586	52,000	52,500
Punjab Northern	50,154	76,412	108,400	182,537	401,140	317 500	375,000
Indus Valley	...	...	113,921	385,633	682,027	520,000	520,000
Dhond and Manmad*	...	...	25,041	50,959	52,988	14,000	15,000
Nagpur and Chattisgarh	...	...		...	15,805	37,500	55,000
Rangoon and Irrawaddy Valley	...	62,876	97,561	108,523	141,148	153,000	162,000
Patna and Gya	...	...	...	33,964	49,828	51,500	52,500
Northern Bengal	...	17,111	109,289	146,781	170,325	190,000	195,000
Tirhoot	21,358	34,324	44,981	47,692	54,338	53,500	75,000
Calcutta and South-Eastern	9,775	12,616	12,509	13,548	14,667	15,500	20,000
Nalhati	8,098	9,130	8,531	9,392	6,732	6,400	6,650
Cawnpore and Furrukhabad	...	...	...	...	4,594	32,500	36,000
Muttra-Hathras	8,977	9,363	10,822	12,335	14,012	13,000	14,000
Muttra-Achneyra	...	...	...	...	...	2,000	8,300
Ghazipore and Dildarnagar	...	...	...	...	1,788	4,000	4,200
TOTAL ...	380,668	557,890	976,828	1,548,728	2,269,135	2,485,400	2,776,350
Working expenses.							
Rajputana and Western Rajputana (Northern Section).	159,082	184,831	203,816	247,239	319,157	465,000	650,000
Western Rajputana (Southern Section) ...	...	...		12,471			
Holkar and Neemuch	39,047	39,319	67,903	87,726	111,049	140,000	
Sindia	...	2,137	12,734	12,757	19,868	23,000	23,000
Wurdah Coal	3,658	7,043	11,104	29,733	44,678	44,500	40,000
Punjab Northern	45,958	70,499	86,506	176,473	306,608	296,000	290,000
Indus Valley	...	...	109,862	314,896	480,956	405,000	370,000
Dhond and Manmad*	...	...	24,569	57,412	47,016	...	...
Nagpur and Chattisgarh	...	...	...	...	11,435	27,500	40,000
Rangoon and Irrawaddy Valley	...	59,994	92,561	77,653	85,953	89,000	92,000
Patna and Gya	...	...	...	18,706	27,563	34,500	32,500
Northern Bengal	...	16,402	89,573	122,865	92,519	96,000	100,000
Tirhoot	14,189	23,572	32,993	34,327	31,551	34 500	42,500
Calcutta and South-Eastern	12,820	8,226	—1,738	10,118	9,022	19,500	14,000
Nalhati	8,315	8,732	4,494	6,274	6,970	6,300	6,250
Cawnpore and Furrukhabad	...	...	...	...	2,894	20,000	21,000
Muttra-Hathras	4,919	5,251	5,996	6,581	7,971	9,500	11,000
Muttra-Achneyra	...	...	...	...	...	1,900	5,000
Ghazipore and Dildarnagar	...	...	...	...	2,318	3,500	3,600
TOTAL ...	287,988	426,006	740,373	1,215,231	1,607,528	1,715,700	1,740,850
Net Traffic earnings.							
Rents of premises on account of the East Indian Railway realised in England	...	...	...	...	230	500	200
Rajputana and Western Rajputana (Northern Section).	80,267	76,603	126,261	132,158	141,170	320,000	500,000
Western Rajputana (Southern Section) ...	...	...		4,773			
Holkar and Neemuch	225	23,347	25,608	32,666	40,573	60,000	
Sindia	...	—818	—1,922	—2,201	3,012	9,500	12,000
Wurdah Coal	27	3,596	269	43	—20,092	7,500	12,500
Punjab Northern	4,196	5,913	21,894	6,063	94,532	21,500	85,000
Indus Valley	...	...	4,059	70,737	201,071	115,000	150,000
Dhond and Manmad*	...	...	472	—6,453	5,972	14,000	15,000
Nagpur and Chattisgarh	...	...	...	...	4,469	10,000	15,000
Rangoon and Irrawaddy Valley	...	2,882	5,000	30,870	55,193	64,000	70,000
Patna and Gya	...	...	...	15,258	22,265	17,000	20,000
Northern Bengal	...	709	19,716	23,916	77,806	94,000	95,000
Tirhoot	7,169	10,752	11,988	13,365	22,787	24,000	32,500
Calcutta and South-Eastern	—3,045	4,390	14,247	3,430	5,646	—4,000	6,000
Nalhati	—217	398	4,037	3,118	—238	100	400
Cawnpore and Furrukhabad	...	...	...	...	1,700	12,500	15,000
Muttra-Hattras	4,058	4,112	4,826	5,754	6,041	3,500	3,000
Muttra-Achneyra	...	...	...	...	...	100	3,300
Ghazipore and Dildarnagar	...	...	...	...	—530	500	600
TOTAL ...	92,680	131,894	236,455	333,497	661,607	769,700	1,035,500

* The working of the line has been transferred to the Great Indian Peninsula Railway from 1st January 1881; the Government of India only gets percentage of the gross receipts.

† Balance of Stores belonging to the collieries borne on the Revenue books on 31st December 1879 omitted to be adjusted in 1879-80.

APPENDIX A—*contd.*

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE VIII.—*Gross Earnings, Working Expenses and Net Earnings of Works of Irrigation, &c., for which Capital and Revenue Accounts are kept, to end of 1880-81, with Regular Estimates for 1881-82 and Budget Estimates for 1882-83.*

	Actuals.					Regular Estimates, 1881-82.	Budget Estimates, 1882-83.
	1876-77	1877-78	1878-79.	1879-80.	1880-81.		
PRODUCTIVE PUBLIC WORKS.	£	£	£	£	£	£	£
GROSS DIRECT REVENUE—							
Orissa canals	7,456	16,110	18,200	27,919	26,978	21,800	33,200
Midnapore canal	13,699	17,009	17,071	24,722	21,646	23,200	29,200
Tidal canal ,,	4,503	6,228	6,079	4,578	5,419	5,900	6,150
Sone canals	7,318	10,130	43,763	53,159	47,864	56,500	51,650
Ganges canal	220,154	250,453	261,114	290,564	180,289	194,000	200,000
Agra ,,	8,952	21,467	42,633	42,151	25,314	55,000	54,900
Lower Ganges canal	...	...	...	5,860	102,828	136,500	138,600
Eastern Jumna ,,	...	...	...	...	...	72,500	72,500
Western Jumna ,,	87,813	99,210	118,056	113,055	91,013	105,000	121,470
Bari Doab ,,	59,270	56,903	80,606	119,129	107,492	103,030	102,500
Other projects	16,036	25,372	25,748	26,904	30,269	34,300	33,600
TOTAL	425,201	502,882	613,270	708,041	639,144	803,730	843,770
INDIRECT REVENUE—							
Ganges canal	64,279	72,290	67,184	66,893	44,301	44,301	44,301
Agra ,,	...	4,509	...	...	...	...	...
Lower Ganges canal	...	...	...	...	20,783	20,783	20,783
Eastern Jumna ,,	...	...	...	...	...	22,153	22,153
Western Jumna ,,	38,593	37,376	10,937	27,583	90,761	5,800	5,800
Bari Doab ,,	4,679	11,903	17,738	...	70,400	25,890	28.300
Other projects	25,966	27,789	31,078	507,921	571.074	560,400	564,000
TOTAL	133,517	153,867	126,934	602,397	797,319	679,327	685,337
TOTAL DIRECT AND INDIRECT REVENUE—							
Orissa canals	7,456	16,110	18,200	27,919	26,978	21,800	33,200
Midnapore canal	13,699	17,009	17,071	24,722	21,646	23,200	29,200
Tidal ,,	4,503	6,228	6,079	4,578	5,419	5,900	6,150
Sone canals	7,318	10,130	43,763	53,159	47,864	56,500	51,650
Ganges canal	284,433	322,743	328,295	357,457	224,590	234,301	244,301
Agra ,,	8,952	25,976	42,633	42,151	25,316	55,000	54,900
Lower Ganges canal	...	...	...	5,860	123,611	157,283	159,383
Eastern Jumna ,,	...	...	...	...	...	94,653	94,653
Western Jumna ,,	126,406	136,586	123,993	140,638	181,774	110,800	127,270
Bari Doab ,,	63,949	68,806	98,344	119,129	177,892	128,920	130,800
Other projects ,,	42,002	53,161	56,826	534,825	601,343	594,700	597,600
TOTAL	558,718	656,749	740,204	1,310,438	1,436,463	1,483,057	1,529,107
WORKING EXPENSES—							
Orissa canals	21,466	21,6	23,909	36,777	30,607	26,040	32,600
Midnapore canal	17,428	20,382	17,283	15,440	18,922	19,631	22,000
Tidal ,,	1,243	3,056	2,318	4,228	2,559	2,673	3,000
Sone canals	19,959	25,24	37,051	35,731	47,257	46,310	49,200
Ganges canal	105,040	97.870	96,991	107,496	81,559	78,820	78,750
Agra ,,	11,613	15,792	18,859	21,684	20,651	22,500	21,490
Lower Ganges canal	...	...	450	7,071	40,992	49,100	53,730
Eastern Jumna ,,	...	...	...	...	...	17,040	20,450
Western Jumna ,,	38,937	41,873	51,436	43,624	37,343	41,580	44,720
Bari Doab ,,	55,365	52,398	47,543	46,415	38,792	42,320	46,180
Other Projects	92,605	86,239	91,710	140,785	106,791	99,800	130,900
TOTAL	363,356	364,458	381,550	459,251	425,473	452,814	502,420
NET REVENUE—							
Orissa canals	—14,010	—5,497	—5,709	—8,858	—3,629	—4,240	1,200
Midnapore canal	—3,429	—3,373	—212	9,282	2,724	3,569	7,200
Tidal ,,	3,260	3,172	3,761	350	2,890	3,227	3,150
Sone canals	—12,641	—15,111	6,712	17,428	607	10,190	2,450
Ganges canal	179,393	224,873	231,304	249,961	143,031	155,481	165,551
Agra ,,	—2,661	10,184	23,774	20,467	4,665	32,500	33,410
Lower Ganges canal	...	...	—450	—1,211	82,619	108,183	105,653
Eastern Jumna ,,	...	...	...	...	...	77,613	74,203
Western Jumna ,,	87,469	94,713	77,557	97,014	144.431	69,220	82,550
Bari Doab ,,	8,584	16,408	56,8 1	72,714	139,100	79,600	84,620
Other projects	—50,603	—33,078	—34,884	394,040	494,552	494,900	466,700
TOTAL	195,362	292,291	358,654	851,187	1,010,990	1,030,243	1,026,687
IRRIGATION AND NAVIGATION WORKS. (*Not classed as Productive Public Works.*)							
GROSS DIRECT REVENUE—							
Eastern Jumna canal	56,541	57,563	63,198	85,127	74,113	...	...
Other projects	29,596	19,353	23,908	24,426	38,936	39,200	43,800
TOTAL	86,137	76,916	87,106	109,553	113,049	39,200	43,800
INDIRECT REVENUE—							
Eastern Jumna canal	22,153	22,680	22,153	22,153	22,153	...	...
Other projects	123,480	125,987	134.131	74,370	199,144	177,300	188,600
TOTAL	145,633	148,667	156,284	96,523	221,297	177,300	188,600
TOTAL DIRECT AND INDIRECT REVENUE—							
Eastern Jumna canal	78,694	80,243	85,351	107,280	96,266	...	...
Other projects	153,076	145,340	158,039	98,796	238,080	216,500	232,400
TOTAL	231,770	225,583	243,390	206,076	334,346	216,500	232,400
WORKING EXPENSES—							
Eastern Jumna canal	21,474	20,357	20,415	19,502	19.901	...	...
Other projects	108,489	109,822	95,925	118,995	97,251	118,200	108,800
TOTAL	129,963	130,179	116,340	138,497	117,152	118,200	108,800
NET REVENUE—							
Eastern Jumna canal	57,220	59,886	64,936	87,778	76,365	...	...
Other projects	44,587	35,518	62,114	—20,199	140,829	98,300	123,600
TOTAL	101,807	95,404	127,050	67,579	217,194	98,300	123,600

APPENDIX A —*concld.*

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE IX.—*Statement showing the true financial results to the revenues of India of the guarantee of interest upon the Capital of the Guaranteed Railway Companies, excluding the East Indian Railway Company.*

	1874-75.	1875-76.	1876-77.	1877-78.	1878-79.	1879-80.	1880-81.	1881-82. Original Estimate.	1881-82. Regular Estimate.	1882-83, Estimate.
Miles.	Miles.	Miles.	Miles.	Miles.	Miles.	Miles.	Miles.	Miles.	Miles.	Miles.
Open mileage to end of official year ...	4,093	4,308	4,495	4,532	4,541	4,568	4,600	4,593	4,600	4,687
	£	£	£	£	£	£	£	£	£	£
Gross Earnings	5,104,172	5,782,089	6,757,875	8,484,613	7,393,807	7,333,631	7,882,275	7,490,000	8,262,500	8,268,000
Working expenses	3,123,810	3,321,802	4,108,411	4,835,456	4,658,483	4,857,284	4,987,622	4,760,000	4,772,500	4,795,500
Percentage of working expenses on earnings	61·20	57·45	60·79	56·99	63·01	66·23	63·28	63·5	57·76	58·01
Net traffic earnings	1,980,362	2,460,287	2,649,464	3,649,157	2,735,324	2,476,347	2,894,653	2,730,000	3,490,000	3,472,500
Net gain by the remittance to England of Capital receipts and disbursements in India at the contract rates of exchange instead of at the average yearly rates obtained for the Secretary of State's bills ...	65,901	19,257	....	...	...	...	...	...	...	44,200
Total Revenue ...	2,046,263	2,479,544	2,649,464	3,649,157	2,735,324	2,476,347	2,894,653	2,730,000	3,490,000	3,516,700
Gross guaranteed interest paid in India ...	24,453	22,001	14,544	13,463	10,486	9,085	7,447	4,870	6,290	5,760
Ditto ditto in London* ...	3,125,524	3,142,253	3,157,152	3,157,301	3,200,335	3,241,047	3,254,504	3,267,000	3,265,000	3,290,000
Total guaranteed interest (sterling payments converted at the average exchange of the year)	3,403,397	3,505,652	3,911,444	3,659,307	3,866,311	3,907,974	3,824,152	3,926,000	3,924,290	3,939,500
Surplus paid to Railway Companies ...	11,424	86,674	79,735	243,438	294,716	97,889	91,619	165,500	333,500	449,500
Land and supervision	45,088	83,176	40,756	48,414	45,777	45,720	57,613	75,200	85,600	92,350
Interest on Revenue balances	15,461	19,912	15,918	1,991	1,525	1,344	1,216	1,500	1,800	1,800
Net loss on receipts and disbursements of Capital in India calculated in the same way as the gain	...	...	9,544	7,018	63,044	63,285	60,046	38,500	28,820	...
Total Expenditure ...	3,475,370	3,695,414	4,057,397	3,960,168	4,271,373	4,116,162	4,034,646	4,206,700	4,374,010	4,483,150
Net Expenditure from the Public Treasury	1,429,107	1,215,870	1,407,933	311,011	1,536,049	1,639,815	1,139,993	1,476,700	884,010	966,450
Net Revenue	...	...	...	...	...	...	...	...	...	...

* With the exception of the figures in this line which are true sterling figures, all the amounts in this table are in rupees converted into the conventional sterling of the account by the removal of one digit to the right.

APPENDIX B.

No. 1438, dated 8th March 1882.

RESOLUTION—By the Government of India, Department of Finance and Commerce.

Read again—

Despatch from Her Majesty's Secretary of State for India, No. 261, dated 17th July 1879, paragraph 50.

Memorandum from Mr. T. C. Hope, C.S., dated August 1879.

Despatch to Her Majesty's Secretary of State for India, No. 81, dated 25th February 1880, paragraphs 17 and 18.

Despatch from Her Majesty's Secretary of State for India, No. 101, dated 25th March 1880, paragraph 3.

Financial Statement for 1880-81, paragraph 210.

Despatch from Her Majesty's Secretary of State for India, No. 259, dated 5th August 1880, paragraph 65.

Accounts and Finance Proceedings, July 1880, Nos. 677 to 740.

Despatch to Her Majesty's Secretary of State for India, No. 173, dated 1st July 1881.

Ditto from ditto ditto, No. 334, dated 10th Novr. 1881.

Ditto to ditto ditto, No. 306, dated 12th Decr. 1881.

Ditto from ditto ditto, No. 10, dated 12th Jany. 1882.

RESOLUTION.—The importance of increasing the portion of the Indian debt in silver, which is actually held in India, so as, on the one hand, to diminish the necessity for sterling loans, or rupee loans fed by funds from Europe, and, on the other, to afford to the masses of the people a mode of investment of their savings more profitable to themselves and to the community at large than the hoarding of coin or ornaments, depositing with small bankers, and petty private money-lending now usually resorted to, has long pressed itself on the attention of the Government of India. In 1877 the issue of local loans for particular works was advocated in the Council of the Governor General for making Laws and Regulations, and has since been partially commenced by the debenture loans started in 1879-80. In the autumn of 1879, a scheme, based on a consideration of the American "Refunding Certificates," established in 1870, and of the system of the French "Rentes," was laid before the Government of India. The scheme contemplated the issue of certificates and notes of small amount, the former to be for Rs. 12½, Rs. 25, and Rs. 50, the latter for Rs. 100 and Rs. 250, both transferable by delivery. The rate of interest was to be 4 per cent., payable to bearer.

2. The scheme was circulated to Local Governments, and by them to selected officers all over India. The Financial Department also consulted its principal authorities, and a sketch of the scheme was communicated to the public press. Official opinion was naturally much divided, the principal doubt expressed being whether a rate of interest not exceeding 4 per cent. was sufficient to attract petty sums in the mofussil, but some of the highest authorities approved of the proposal. The public press was without exception in favour of a trial of the scheme.

3. In any consideration of the probable success, or otherwise, of such a scheme, it must be premised, and distinctly borne in mind, that the masses of the people in the mofussil, and not the monied, investing, or speculating classes of the Presidency and other principal towns, are those to whom it is addressed, and whom it is intended to benefit, by fertilising petty savings and encouraging accumulation. If the notes proposed were to be issued at a rate higher

APPENDIX B—*contd.*

than 4 per cent., there can be no reasonable doubt that they would, at once, be appropriated by the monetary world, instead of by the classes in the mofussil for whom they are designed, while, at the same time, the general borrowing power of the State would be prejudiced to the extent of the excess. On the other hand, many of the officers to whom the scheme was referred have urged that those in the mofussil who have any savings at all invest them far more profitably than they could in these Notes. It is reported, for instance, that savings are employed in agricultural stock, land, houses, petty trades, and supply of "secondary wants." So far as this may be the case anywhere, it is a subject of unmixed satisfaction. But the object to which savings are usually said to be devoted is money-lending, and the interest received is stated at various rates from 12 to 76 per cent. That money generally yields in the mofussil any such profit, appears open to considerable doubt, in view of the evidence which has, on other occasions, been adduced to show how little of his advances and his nominally high interest the money-lender in many cases actually recovers, and at what worry and risk his business is often carried on. It appears safe to assume that the *average* profits are far below popular estimate, though some individuals may be pressed to the full extent to make up for the default of others. In any case, however, the fact that there is a considerable amount of money in the hands of certain classes which is now to be had at about 4 per cent., may be held to be proved by (1) the statements to that effect in the present reports by many officers; (2) the increase of the Savings Bank deposits from one crore in 1869-70 to nearly three crores in 1881; and (3) the small effect upon those deposits produced by the reduction of the rate of interest to $3\frac{1}{4}$ per cent. which was carried out on the 1st June last. His Excellency the Governor General in Council sees no reason to doubt that the increased facilities which the proposed notes offer will, notwithstanding the low rate of interest, attract much money now risked or lost in various ways. With legitimate money-lending and sound agricultural advances the Government of India have no desire to interfere; nor are the notes at all likely to do so. But if the agriculturist can be relieved from the temptations to reckless borrowing to which he is exposed in consequence of the increase, caused by general prosperity, in the amount of capital for employment and of money-lenders competing with each other, and if thrift, together with safe and profitable investment, can be encouraged, a great benefit will have been conferred on the population at large. Under these circumstances His Excellency the Governor General in Council has decided that the proposal to issue "Stock Notes" (as they will hereafter be called) shall be carried into effect. His Excellency is well aware that it is of the nature of an experiment, and will place no undue reliance upon it for financial purposes, but considers that as an experiment, it is well worthy of a fair trial, since it cannot, under careful issue, do any harm, and it must prove beneficial even though it should progress in popular appreciation with no greater rapidity than the Savings Banks have done.

4. The following are the principal features of the scheme, as finally matured:—

(1) With the object of affording greater facilities for the investment of small sums at interest, the Government of India have determined to issue a new kind of security termed "stock notes."

(2) Stock notes will be of four denominations, *viz.*, Rs. $12\frac{1}{2}$, Rs. 25, Rs. 50, and Rs. 100.

(3) Stock notes will be issued at par, and will bear interest at the rate of 4 per cent. per annum.

(4) Stock notes will be transferable from hand to hand without endorsement, or any other formality whatever, the purchaser, presumably, paying to the vendor the interest accrued up to date of transfer. The amount of interest accruing monthly on each note will, for the convenience and security of the public, be stated on the face of it.

(5) The interest payable on stock notes will be free from taxation of every description.

(6) In order to obviate inconvenience to landowners from the collection and payment of land revenue, stock notes may be deposited at

APPENDIX B —*contd.*

the Government treasury where such revenue is payable, and the interest thereon will be credited, as it falls due, to the land revenue account of the depositor. The notes will be returned and the arrangement terminated whenever the depositor so desires. The interest on coupons, if they are presented undetached from the stock note to which they belong, will also be credited, when it has become due, in payment of land revenue and State demands of all kinds.

(7) Stock notes will appertain to certain circles of issue, and the value of the note and amount of interest accruing monthly will be stated thereon in the vernacular languages of the circle, as in the analogous case of currency notes.

(8) Stock notes will be obtainable on demand at all district, subdivisional, and tahsildars' or similar subordinate treasuries. Notes of any of the three lower denominations will also be exchangeable at such treasuries for their equivalent in notes of the higher denominations. Arrangements will be matured hereafter, as circumstances permit, for the sale of notes by stamp and other licensed vendors, and at post offices.

(9) A commission of 1 per cent. on actual sales will be allowed to all persons, whether in the service of Government or not, who are charged with the sale of notes of the three lower denominations. On the sale of notes of the higher denomination, no commission will be paid, except in special cases.

(10) Notes of the three lower denominations, *viz.*, Rs. 12½, Rs. 25, and Rs. 50, will be in Form A, subjoined hereto. Interest will be payable annually, on presentation of the note, on or after the dates specified thereon, at *any* of the treasuries described in clause 8 which is situated within the circle to which the note belongs. The transfer of payment of interest from one circle to another will not ordinarily be allowed. On the first presentation the disbursing officer will himself cut off, and retain as a voucher for the debit in his accounts, the coupon or portion of the note relating to the first payment of interest; and on subsequent presentations he will similarly cut off and retain the succeeding coupons. On presentation of the final or principal portion of the note he will retain it, and issue to the holder a new note, which will similarly run for a fresh series of years; and so on, unless the note shall have been advertised for repayment. No note will be discharged within twenty years from the date of issue thereof, or without six months' previous notice of intention to discharge.

(11) Notes of the higher denomination, *viz.*, Rs. 100, will be in Form B, subjoined hereto. Interest will be payable annually, on presentation of the note, on or after the dates specified thereon, at any of the treasuries aforesaid. The disbursing officer will himself cut off, and retain as a voucher, the coupon relating to the period for which interest is due. Notes must in this case, as under clause 10, be presented intact, and the proper portion will be cut off by the disbursing officer. On the tenth presentation the note itself will be retained, and a new note, with nine coupons attached, will be issued in its place, to run for a fresh term of years; and so on, subject, however, to the power to discharge, as stated in clause 10.

5. From the above statement it will be seen that stock notes differ from the ordinary Government securities in several important particulars. They will be under three disabilities or disadvantages, in comparison with them, namely, (1) the denominations will be of small amount, (2) the interest will be payable yearly instead of half-yearly, and (3) the notes will not be enfaceable to Europe. On the other hand, they will have three recommendations: th e notes themselves and the accrued interest will be readily obtainable at all treasuries, they will be transferable by simple delivery, and they will be exempt from all liability to tax-

APPENDIX B—*contd.*

ation. With reference to the last point it may be explained that the exemption is principally based on the practical impossibility of levying accurately and without risk of abuses any impost on the petty amounts to be paid as interest, the difficulty in keeping accounts of such an item with the vast number of agencies through whom Stock Notes will issue, and the vexatious complications in transfers which would be created thereby. Comparing Stock Notes with Savings Banks, the investor in the latter has the security of a booked account, and of realising whenever he pleases, without the necessity of finding a purchaser, but he has to attend at a Government office, he receives interest a quarter per cent. lower, and that interest runs on his minimum monthly balance only. The balance of these advantages and disadvantages, and the extent to which the value of Stock Notes will be affected thereby, can be determined by experience alone; but if the result should, in the interior at least, be a condition of equilibrium, or circulation at par, it would be more convenient for purposes of account, and more suited to the mofussil and the masses of the people, than transfer at a fluctuating market rate.

6. It is not possible at present to specify the date when Stock Notes, which are now being manufactured under the supervision of the Bank of England, will be available at all Treasuries for purchase by the public, but definite information on this point will be published as soon as it is received. Probably the arrangements will not be complete until about the end of the month of June next. In the event, however, of banks or syndicates desiring to obtain, on the terms as to commission specified in clause (9) of paragraph 4, notes in large quantities for *bonâ fide* issue in the mofussil of any Province through private agency, special communication may at any time be made by letter, with sufficient references, to the local Accountants General or Controllers, or to the Financial Secretary to the Government of India, and special arrangements for supplying them immediately on the arrival of the notes from England may be effected.

ORDERED, that this Resolution be communicated to the Comptroller General and the several Accountants General for information, and to the Local Governments and Administrations for information and for publication in the local official Gazettes in English and such vernacular languages as they may deem fit.

T. C. HOPE,
Secretary to the Government of India.

APPENDIX B—*contd.*

Form A.

INDIA STOCK NOTE, 1882.

25 *TWENTY-FIVE Rupees.* 25

٢٥ پچيس روپيه पचिश रुपेया। २५

૨૫ પચિશ ટાકા। પચિસ રૂપેશા ૨૫

$\frac{E}{15}$ 92844 *Calcutta Circle.* $\frac{E}{15}$ 92844

Interest 16 pies monthly, payable February 1st, 1886.

١٦ پائي سود ماهانه پهلي فبروري سنه ١٨٨٦ ع کو دیا جائیگا '

মাসিক ১৬ পাই হিসাবে সুদ, ১৮৮৬ সালের ১লা ফেবরুয়ারি তারিখে দেওয়া যাইবে।

१६ पाइ सुद माहाना पहली फ़ेबरवरी १८८६ को दिया जायेगा।

૧૬ પાઈ સૂદ માહાના પહલી ફેવરવરી ૧૮૮૬ કો દીશ્રા જાએગા।

$\frac{E}{15}$ 92844 *Calcutta Circle.* $\frac{E}{15}$ 92844

Interest 16 pies monthly, payable February 1st, 1885.

١٦ پائي سود ماهانه پهلي فبروري سنه ١٨٨٥ ع کو دیا جائیگا '

মাসিক ১৬ পাই হিসাবে সুদ, ১৮৮৫ সালের ১লা ফেবরুয়ারি তারিখে দেওয়া যাইবে।

१६ पाइ सुद माहाना पहली फ़ेबरवरी १८८५ को दिया जायेगा।

૧૬ પાઈ સૂદ માહાના પહલી ફેવરવરી ૧૮૮૫ કો દીશ્રા જાએગા।

$\frac{E}{15}$ 92844 *Calcutta Circle.* $\frac{E}{15}$ 92844

Interest 16 pies monthly, payable February 1st, 1884.

١٦ پائي سود ماهانه پهلي فبروري سنه ١٨٨٤ ع کو دیا جائیگا '

মাসিক ১৬ পাই হিসাবে সুদ, ১৮৮৪ সালের ১লা ফেবরুয়ারি তারিখে দেওয়া যাইবে।

१६ पाइ सुद माहाना पहली फ़ेबरवरी १८८४ को दिया जायेगा।

૧૬ પાઈ સૂદ માહાના પહલી ફેવરવરી ૧૮૮૪ કો દીશ્રા જાએગા।

$\frac{E}{15}$ 92844 *Calcutta Circle.* $\frac{E}{15}$ 92844

Interest 16 pies monthly, payable February 1st, 1883.

١٦ پائي سود ماهانه پهلي فبروري سنه ١٨٨٣ ع کو دیا جائیگا '

মাসিক ১৬ পাই হিসাবে সুদ, ১৮৮৩ সালের ১লা ফেবরুয়ারি তারিখে দেওয়া যাইবে।

१६ पाइ सुद माहाना पहली फ़ेबरवरी १८८३ को दिया जायेगा।

૧૬ પાઈ સૂદ માહાના પહલી ફેવરવરી ૧૮૮૩ કો દીશ્રા જાએગા।

APPENDIX B—*concld.*

Form B.

INDIA STOCK NOTE, 1882.

100 *ONE HUNDRED Rupees.* *100*

ايك شو روپيه — एक सौ रुपेया। — १००

১০০ — এক শত টাকা। — ऐक सौ नूपेआ — १००

$\frac{F}{12}$ 00981 *Calcutta Circle.* $\frac{F}{12}$ 00981

Interest 4 rupees annually, payable February 1st.

للعه سود سالانه پهلي فبروري كو ديا جائيگا ،

বার্ষিক ৪ টাকা হিসাবে সুদ, ১লা ফেব্রুয়ারি তারিখে দেওয়া যাইবে।

৪ रुपेया सुद सालाना पहली फ़ेबरवरी को दिया जाएगा।

૪ આન નૂપેઆ સૂદ સાલાના પહલી ફેબરવરી કો દીઆ જાએગા

$\frac{F}{12}$ 00981 Interest 4 rupees, February 1st, 1891.
सुद ४ रुपेया—१ पहली फ़ेबरवरी, सन १८९१।

$\frac{F}{12}$ 00981 Interest 4 rupees, February 1st, 1890.
सुद ४ रुपेया—१ पहली फ़ेबरवरी, सन १८९०।

$\frac{F}{12}$ 00981 Interest 4 rupees, February 1st, 1889.
सुद ४ रुपेया—१ पहली फ़ेबरवरी, सन १८८९।

$\frac{F}{12}$ 00981 Interest 4 rupees, February 1st, 1888.
सुद ४ रुपेया—१ पहली फ़ेबरवरी, सन १८८८।

$\frac{F}{12}$ 00981 Interest 4 rupees, February 1st, 1887.
सुद ४ रुपेया—१ पहली फ़ेबरवरी, सन १८८७।

$\frac{F}{12}$ 00981 Interest 4 rupees, February 1st, 1886.
सुद ४ रुपेया—१ पहली फ़ेबरवरी, सन १८८६।

$\frac{F}{12}$ 00981 Interest 4 rupees, February 1st, 1885.
सुद ४ रुपेया—१ पहली फ़ेबरवरी, सन १८८५।

$\frac{F}{12}$ 00981 Interest 4 rupees, February 1st, 1884.
सुद ४ रुपेया—१ पहली फ़ेबरवरी, सन १८८४।

$\frac{F}{12}$ 00981 Interest 4 rupees, February 1st, 1883.
सुद ४ रुपेया—१ पहली फ़ेबरवरी, सन १८८३।

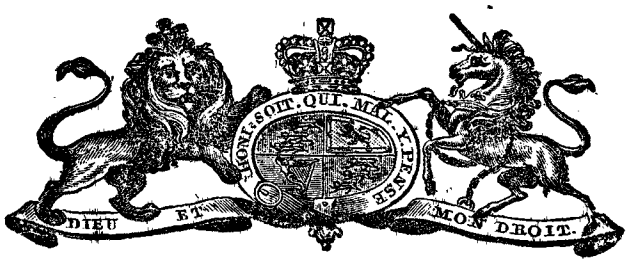
GOVERNMENT OF INDIA.

DEPARTMENT OF FINANCE AND COMMERCE.

FINANCIAL STATEMENT

FOR

1883-84.



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1883.

FINANCIAL STATEMENT FOR 1883-84.

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FINANCIAL STATEMENT.

I.—Preliminary.

Preliminary.

1. No legislation will be undertaken in connection with the financial arrangements for the year 1883-84. Under these circumstances the law does not permit of the Financial Statement being made in the Legislative Council. That Statement must take the form of a written Minute which will be published in the *Gazette of India*.

Law bearing on Financial Statement.

2. It may perhaps be as well that, at the risk of repeating what has often been said before, I should explain the precise condition of the law bearing upon the present issue.

3. Section 19 of 24 & 25 Vic. Cap. 67 (the Indian Councils Act, 1861) is conceived in the following terms:—

"No business shall be transacted at any meeting for the purpose of making "Laws and Regulations" (with the exception of the amendments of the Rules for the conduct of Business) "other than the consideration and enactment of "measures introduced into the Council for the purpose of such enactment."

It results, therefore, that as no legislation is proposed in connection with the financial arrangements for the year 1883-84, the Financial Statement cannot be made in the Legislative Council without a contravention of the law which governs the proceedings of that Council. This, as was explained by Lord Northbrook in 1873,* "is not a mere technical or "formal difficulty, for not only are the words of the "Act in themselves explicit, but in order to prevent any possible misconception, "it was explained by the Secretary of State, in the Despatch No. 14 of the 9th "of August 1861, with which the Act was transmitted to India, that one object "of the nineteenth Section of that Act was that this (*i.e.*, the Legislative) "Council should not 'interfere with the functions of the Executive Government, "and occupy its time with matters which are not directly and immediately "connected with the special duties assigned to it'—that is to say, the con-"sideration and enactment of Laws and Regulations."

* Legislative Council Proceedings of March 5th, 1873.

4. I regret that the condition of the law precludes the possibility of any discussion on the existing financial situation in the Legislative Council. The law on the subject is, however, explicit and must of course be obeyed. The Government has no discretionary power in the matter.

Figures in conventional sterling.

5. Except in cases where the words "true sterling" are entered in a parenthesis after any figure, all the figures in this Statement are, as usual, given in "conventional sterling," that is to say, £1 = Rs. 10. On the occasion of the last Financial Statement (para. 1) I explained the reasons which render the continuance of this system, for the present at all events, desirable.

6. The explanations in this Statement are given upon the figures as arranged in Appendix I.

II.—Changes in the forms of the Accounts and Estimates.

Changes in the forms of the Accounts and Estimates

7. Judging from the remarks which are frequently made both in and out of Parliament, it would appear that the Accounts and Estimates of the Government of India are regarded by many people as a financial puzzle, which none but experts can hope to understand. It not unfrequently happens that those who cannot understand them rush to the conclusion that the figures, in the form in which they are presented to the public, are wrong and misleading; that there is something radically unsound in Indian financial affairs; that the surpluses are no surpluses at all, but that they would, were the figures properly presented, be turned into deficits; in fact, that an Indian Financial Statement

is merely a more or less dexterous manipulation of figures, and not an accurate indication of the financial situation of the Government of India.

Present system is scientifically sound.

8. I should be the last to wish to under-rate the difficulties connected with the administration of the Indian finances. Our standard of value is unstable. Our Opium revenue is precarious. The tax-paying community is poor and incapable of bearing any heavy burthens. War and famine are constantly recurring evils. The comparative absence of private capital throws upon the State many onerous duties which in other countries can be more advantageously performed through the agency of private enterprise. All this is true enough. But it is wholly erroneous to suppose that the difficulties of Indian financial administration, considerable though they be, are in any way connected with questions of technical finance. The issue is, in fact, a false one. The machinery for the conduct of our technical finance is remarkably good. I believe it may challenge comparison with that of any other Government in the world. The Accounts and Estimates represent truly and accurately the money received and spent by the Government. The surpluses are real surpluses, and the deficits are real deficits. The figures present neither an optimist nor a pessimist view of the financial situation. They give the bald and true facts of the situation as they stand, without exaggeration in one direction or another.

But is not generally understood.

9. But however scientifically sound and accurate may be our system of Accounts, nothing is more certain than that the public finds great difficulty in understanding the figures which are published on the occasion of the annual Financial Statement. In proof of this assertion I need only mention that a leading London newspaper, in reviewing the Budget last year, made a mistake of about £2,000,000, owing to a misapprehension of the true meaning of the Estimates as they were presented to the public.

Some reforms are desirable.

10. It is manifestly the duty of the Government to do all that it can to ensure a comprehension of its Accounts and Estimates. At the same time it is to be remembered that the financial transactions of the Government of India are very large and complicated. Those of the English Treasury are, relatively speaking, much more simple. No one can hope to gain a thorough insight into the true meaning of the Indian Accounts and Estimates unless he is prepared to devote a certain amount of time and trouble to the task. The most that the Government can do is to facilitate their comprehension to the utmost by arranging the figures in the most simple and concise form of which the circumstances admit.

And also possible.

11. The whole of this question has been fully considered within the last few months, and it has been found possible to re-arrange the figures in such a manner as to maintain intact our present system, which, as I have already said, is everything that can be desired from a departmental point of view, whilst at the same time I trust that the Accounts and Estimates in their new form will be more easily comprehensible to the public than appears heretofore to have been the case.

Description of existing system.

12. Before proceeding any further, it will be desirable that I should describe the forms in which the Accounts and Estimates have heretofore been presented to the public.

13. Up to the present time the ten following documents have been appended to the Financial Statement:—

Documents heretofore attached to the Financial Statement.

Statement I.—Revenue and Expenditure of the Government of India in India and in England.—This Statement gives the whole of the Revenue, whether Imperial, Provincial, or Local, under 29 major heads, and the whole of the Expenditure, whether Imperial, Provincial, or Local, under 37 major heads of Account.

Statement II.—Revenue and Expenditure of the Government of India in India and England.—The only difference between this Statement and *State-*

ment I is that the Revenue from *Productive Public Works* is shown separately, instead of being amalgamated with other Revenue connected with Public Works as is done in *Statement I.* A corresponding separation is made on the Expenditure side of the Account. It is on the figures, as arranged in this Statement, that the explanations given at the time of the Budget by the Financial Member of Council have heretofore been based.

Statement III.—Revenue and Expenditure of the Government of India in India and in England in the three Divisions, Imperial, Provincial, and Local.—This Statement gives the same figures as in *Statements I* and *II*, but arranged so as to show to what extent the Revenue and Expenditure are respectively Imperial, Provincial, and Local.

Statement IV.—Receipts and Disbursements of the Government of India in India and England.—This Statement gives the joint cash account of the Home and Indian Treasuries.

Statement V.—Revenue and Expenditure of the Government of India in India.—This Statement gives in detail the Revenue and Expenditure exclusive of all transactions in England.

Statement VI.—Revenue and Expenditure of the Home Treasury of the Government of India.—This Statement gives the detail of the Revenue and Expenditure in England.

Statement VII.—Receipts and Disbursements at the Treasuries of the Government of India in India.—This Statement shows what portion of the total sums given in *Statement IV* are received and disbursed in India.

Statement VIII.—Receipts and Disbursements at the Home Treasury of the Government of India.—This Statement shows what portion of the total sums given in *Statement IV* are received and disbursed in England.

Statement IX.—Closing Balances of the Provincial Governments.—*Statement VII* gives the closing balance of the Imperial and Provincial Governments collectively. *Statement IX* shows how much of this amount is reckoned at the credit of each Provincial Government.

Statement X.—Statement showing the net Revenue and Expenditure of India.—This Statement was published for the first time in March 1882.

Reasons why the Accounts are difficult to understand.

14. The difficulty of understanding the Indian Accounts and Estimates seems to arise mainly from two causes. In the first place they are too bulky. In the second place, the development of Provincial and Local Finance has given rise to the necessity of adjusting entries, which to those who are not fully acquainted with the somewhat complicated detail of the arrangements made between the Imperial and Provincial Governments are, without doubt, rather difficult to understand.

Bulkiness of Accounts and Estimates.

15. As regards the bulkiness of the published Statements, it is to be observed that under Mr. Wilson's classification in 1861 the Revenue was shown under 15, and the Expenditure under 23 major heads of Account. The Commissioners in their report of 1864 somewhat expanded this classification, and in 1866 Mr. Massey, adopting generally the proposals of the Commissioners, showed the Revenue under 20, and the Expenditure under 32 heads.

16. Since 1866 new administrative wants have sprung up, with the result that, in order to keep pace with those wants, it has from time to time been necessary to open new heads of Account. The passing of the Registration Acts led to the opening of a new head, entitled *Registration*, on both sides of the Account. The policy of financial decentralisation and the incorporation into the General Accounts of Local Revenue and Expenditure necessitated a new head of Account under the title of *Provincial Rates*. In 1870 the heading *Minor Departments* first made its appearance. The expenditure under this head had formerly appeared under *Administration*. With the adoption of the policy of

lending Officers to Native States, the necessity arose of opening a new head of Account, entitled *Civil Furlough Allowances*. The major head of *Famine Relief and Insurance*, which is now divided into three sub-heads, *viz., Relief, Protective Works,* and *Reduction of Debt*, was opened as a necessary result of the famine policy of 1877 and 1881. It was also, from time to time, found necessary to add new heads of Revenue under the titles of *Medical, Stationery*, and *Superannuation Contributions*. But it is under Public Works that the greatest development has occurred. The single head *Public Works* on either side of the Account was all that was required in 1861. Exclusive of Capital Expenditure on *Productive Public Works*, which stands outside the Ordinary Account, and exclusive of the grants for *Protective Works* under *Famine Relief and Insurance*, we have now in *Statement II* no less than 9 figures on the Revenue, and 11 figures on the Expenditure side of the Account, representing Public Works transactions.

17. In all, Mr. Massey's 20 figures on the Revenue side of the Account had increased in March 1882 to 36, and his 32 figures on the Expenditure side of the Account had increased to 49.

Requirements of the public.

18. There is not one detail which is at present given in our Statements of Account, which, for departmental purposes, could be spared. On the other hand, it is impossible not to recognise that the Statements give more detail than is generally required by the public. What I conceive is mainly required by Parliament and by the public is to present the Accounts and Estimates in a form sufficiently concise and simple to be easily understood by those who do not make a special study of Indian Finance, but whose general knowledge of financial subjects enables them readily to understand an Account presented in a clear form. Full details should indeed, as at present, be published, but in a separate form.

How they may be met.

19. The only way in which we can attain the conciseness and simplicity required by the public, and at the same time meet the necessities of administrative and departmental convenience, will be to push the grouping of the heads one stage further than the "major heads" which have heretofore been shown in the documents appended to the Financial Statement. To make any material alteration in our major heads would either render an accurate comparison with the figures of past years impossible, which would be very objectionable, or it would involve the re-compilation of the Accounts of past years, which would be a very laborious process. With one exception, of slight importance, no such alteration is either desirable or necessary.

Division of one major head only.

20. The exception to which I allude, is in respect to the heading on the Expenditure side of the Account, which has up to the present time been entitled *27. Allowances and Assignments under Treaties and Engagements*. In the classification adopted from 1861 to 1866, the charges under this head were treated along with refunds, and charges for the collection of Revenue, as direct charges against Revenue. This is also where they are placed in the existing General Account (No. 2 of the Finance and Revenue Accounts); and their close connection with this group is shown in two recent instances, namely, the Excise compensations paid in Bombay, and the payments under the Salt Treaties. Both of these are payments on account of Revenue, and are productive of a corresponding increase of Revenue. They are, therefore, not properly accounted for unless they are grouped as direct charges against Revenue. But such a payment as the yearly allowance of the Ex-King of Oudh, which also goes under this head, cannot properly be considered as a charge against Revenue. It may be more properly regarded as a purely political charge. We propose, therefore, in the future to break up the existing major head into two portions. One of these portions, entitled *Assignments and Compensations*, will be grouped under *Direct Demands on the Revenue*. The other, entitled *Territorial*

and Political Pensions, will be grouped under *Miscellaneous Civil Charges.* With this exception no change will be made in the existing units of Account.

New classification.

21. I now invite attention to Appendix I attached to this Minute. This Appendix contains the six following documents:—

(1) General Statement of Accounts and Estimates.
(2) Abstract A, Details of Revenue.
(3) Abstract B, Details of Expenditure.
(4) Abstract C, Details of Receipts and Disbursements other than Revenue and Expenditure.
(5) Abstract D, Provincial and Local Balances.
(6) Abstract E, Net Revenue and Expenditure.

For the future these six Statements will take the place of the ten Statements heretofore published.

The General Statement.

22. Any one who wishes to see at a glance the nature of the whole of the financial transactions of the Government of India for the years under review need only look at the General Statement. He will there see the total Revenue and Expenditure,—whether Imperial, Provincial, or Local, and whether in India or in England,—grouped under a few main heads. He will also see the whole of the cash transactions, which stand outside the Revenue and Expenditure Account. He will also see the opening and closing balances of the Government, whether in England or in India. Thus, for instance, looking to the Accounts for the year 1881-82, it will be seen that the Revenue amounted to £73,695,806, and the total Expenditure charged against Revenue to £71,113,079, thus leaving a surplus of £2,582,727; that the total Receipts, including not only Revenue, but the net receipts on account of *Debt, Deposits, and Advances*, and the gross receipts of the Secretary of State on account of Bills drawn on India, amounted to £93,516,749; that the total Disbursements, including not only Expenditure charged against Revenue, but also Capital Expenditure on *Productive Public Works* and Disbursements on account of *Debt, Deposits, and Advances* and of Council Bills, amounted to £93,871,777; that the opening cash balance in England on April 1st, 1881, amounted to £4,127,749; that the opening cash balance in India on April 1st, 1881, amounted to £13,371,101; that the Secretary of State drew Bills on the Indian Treasury amounting to £18,412,429 between April 1st, 1881, and March 31st, 1882, and that Bills amounting to £18,336,997 were paid during the same period; that the closing cash balance in England on March 31st, 1882, amounted to £2,620,909; and that the closing cash balance in India on March 31st, 1882, amounted to £14,522,913. These are the leading financial features of the year.

Details in General Statement.

23. We have carefully considered the extent to which it will be desirable to give details in the General Statement. I may observe that in the main Statement attached to the Finance Accounts of the United Kingdom, the Revenue is shown under ten heads, and the Expenditure, excluding *Interest on Debt*, which for special reasons has eight heads to itself, is shown under fourteen heads. We have roughly taken the Statement issued by the English Treasury, which is an admirable composition of its kind, as a model for our guidance.

Principal Heads of Revenue.

24. The first entry in the General Statement on the Receipt side of the Account is *Principal Heads of Revenue.* This group contains eleven items (*vide* Abstract A), of which five only are shown separately in the General Statement. These are—

Land Revenue.
Opium.
Salt.
Stamps.
Excise.

25. These are the main heads of Indian Revenue. They have, following the English system, been arranged in what may approximately be considered the order of their relative importance. The remaining items grouped under *Principal Heads of Revenue* are classed in the General Statement under *Other Heads*. This entry includes the following heads:—

Provincial Rates.
Customs.
Assessed Taxes.
Forest.
Registration.
Tributes from Native States.

Any one who wishes to see the detail under these heads has only to turn over the page and look at Abstract A, to which he is referred in the first column of the General Statement.

Post Office, &c.

26. The next item is *Post Office, Telegraph, and Mint.* These are given in one figure in the General Statement, but are separated in Abstract A.

Receipts by Civil Departments.

27. The next entry in the General Statement is *Receipts by Civil Departments*, a term borrowed from the English Finance and Revenue Accounts. On turning to Abstract A it will be seen that this group includes the following heads of Account:—

Law and Justice.
Police.
Marine.
Education.
Medical.
Scientific and other Minor Departments.

Miscellaneous.

28. The entry *Miscellaneous* in the General Statement includes—

Interest.
Receipts in aid of Superannuations, &c.
Stationery and Printing.
Miscellaneous.

The details of each item are given in Abstract A.

Productive Public Works.

29. It will be borne in mind that in *Statement II*, under the old classification which is now to be superseded, the Revenue from Productive Public Works was shown separately from other Public Works Revenue, and that an analogous separation was made on the Expenditure side of the Account. It is very desirable to maintain this distinction. It has, therefore, been maintained in the General Statement. It is, of course, to be borne in mind that the word "Productive" has, for the purposes of the present argument, a technical signification. It is not to be inferred that a work not classed as Productive is entirely unremunerative. What is meant is that only Capital Expenditure on works classed as Productive is allowed to stand outside the Ordinary Account. Borrowing in respect to the construction of these works is permissible. Expenditure on all works not classed as Productive is charged to Revenue.

Revenue from Productive Public Works.

30. It will be seen on referring to Abstract A that the entry in the General Statement entitled *Revenue from Productive Public Works*, includes the following items:—

State Railways (*Gross Earnings*).
Guaranteed and Subsidized Railways (*net Traffic Receipts*).
East Indian Railway (*net Traffic Receipts*).
Irrigation and Navigation (*Direct Receipts*).
Madras Irrigation and Canal Company (*net Traffic Receipts*).
Portion of Land Revenue due to Irrigation.

Receipts on account of Public Works not classed as Productive.

31. The entry in the General Statement entitled *Receipts on account of Public Works not classed as Productive*, includes the following items :—

State Railways.
Subsidized Railways.
Irrigation and Navigation.
Military Works.
Civil Buildings, Roads, and Services.

Other Public Works.

32. Up to the present time the receipts and expenditure connected with *Military Works* and *Civil Buildings, Roads, and Services*, have appeared under the head *34. Other Public Works.* This heading was first adopted in February 1880. The entry does not carry its own meaning with it, and on that account appears to be objectionable. As a matter of fact the money is spent partly on *Military Works*, which receive a fixed annual grant of £1,000,000, and partly on *Civil Buildings, Roads, and Services.* Under these circumstances the most simple plan appears to be to adopt a nomenclature in the Accounts which carries its own signification with it.

Receipts by Military Departments.

33. The next item in the General Statement, namely, *Receipts by Military Departments*, is divided, in Abstract A, into three heads, *viz.* :—

Army.
Military Operations in Afghanistan.
Military Operations in Egypt.

The two last items are, of course, exceptional, and only appear in the Accounts and Estimates of the years when Military Operations were conducted in Afghanistan and Egypt respectively.

Expenditure.

34. I now turn to the Disbursement side of the Account. Here again the Expenditure has been grouped under a few main heads, the detail being given in Abstract B, to which a reference is made in the first column of the General Statement.

Interest.

35. The first entry is *Interest.* It is to be borne in mind that this entry only gives the Interest charged to Ordinary Debt, that is to say, it is exclusive of the amount of Interest charged to Productive Public Works. This latter charge appears lower down in the General Statement, being included in the group entitled *Expenditure on Productive Public Works* (*Revenue Account*). The single head of *Interest* in the General Statement is, in Abstract A, divided into two heads, *viz.* :—

Direct Demands on the Revenue.

Interest on Ordinary Debt (*excluding that charged to Productive Public Works*),
Interest on Deposits.

36. The next entry is *Direct demands on the Revenues.* This entry, as will be seen by reference to Abstract B, includes the following items :—

Refunds and Drawbacks.
Assignments and Compensations.
Charges in respect of Collection, viz. :—
Land Revenue.
Opium (*including cost of production*).
Salt (*including cost of production*).
Stamps.
Excise.
Provincial Rates.
Customs.
Assessed Taxes.
Forest.
Registration.

The whole of these items are payments on account of Revenue, that is to say, they are, to a greater or less degree, productive of a corresponding increase of Revenue. They are, therefore, properly grouped under *Direct demands on the Revenues.*

Post Office, &c.

37. The next entry is *Post Office, Telegraph, and Mint.* Following the course adopted on the Revenue side of the Account, the Expenditure under these three heads is shown in one figure in the General Statement. The detail is given in Abstract B.

Salaries and Expenses of Civil Departments.

38. The next entry in the General Statement is *Salaries and Expenses of Civil Departments.* A reference to Abstract B will show that this entry includes the following items:—

General Administration.
Law and Justice.
Police.
Marine (including River Navigation).
Education.
Ecclesiastical.
Medical.
Political.
Scientific and other Minor Departments.

Miscellaneous Civil Charges

39. The next entry is *Miscellaneous Civil Charges.* A reference to Abstract B will show that this entry includes the following items:—

Territorial and Political Compensations.
Civil Furlough and Absentee Allowances.
Superannuation Allowances and Pensions.
Stationery and Printing.
Miscellaneous.

Famine Relief and Insurance.

40. The next entry is *Famine Relief and Insurance.* Up to the present time the expenditure on *Protective Works*, whether on Railways or Canals, has been shown in one figure. In future it is proposed to show the expenditure on Railways and that on Irrigation separately. The entry *Famine Relief and Insurance* in the General Statement, is, therefore, in Abstract B divided into the following sub-heads:—

Famine Relief.
Protective Works, Railways.
Protective Works, Irrigation.
Reduction of Debt.

Productive Public Works (Revenue Account).

41. The next entry is *Expenditure on Productive Public Works (Revenue Account).* This answers to the entry *Revenue from Productive Public Works* on the Revenue side of the Account. A reference to Abstract B will show that the details are given under the following heads:—

State Railways (Working and Maintenance).
Guaranteed and Subsidized Railways (Interest and Profits).
East Indian Railway (Interest and Profits).
Irrigation and Navigation (Working and Maintenance).
Madras Irrigation and Canal Company (Interest, &c.).
Interest on Debt incurred for Productive Public Works:—
Railways.
Irrigation.
Miscellaneous Public Improvements.

42. The next entry is *Expenditure on Public Works not classed as Productive.* This answers to the entry *Receipts on account of Public Works not*

classed as Productive on the Revenue side of the Account. A reference to Abstract B will show that the details are given under the following heads:—

State Railways (Capital Account).
State Railways (Working and Maintenance).
Subsidized Railways.
Southern Mahratta Railway.
Frontier Railways.
Irrigation and Navigation.
Military Works.
Civil Buildings, Roads, and Services.

Army Services.

43. The next entry, *Army Services*, is divided into three heads in Abstract B, *viz.*:—

Army.
Military Operations in Afghanistan.
Military Operations in Egypt.

The last two items are, of course, exceptional.

Gain by Exchange.

44. The next entry is *Exchange on Transactions with London.* Up to the present time one item, entitled *Gain by Exchange*, has been entered on the Revenue, and another item, entitled *Loss by Exchange*, has been entered on the Expenditure side of the Account. As regards the item *Gain by Exchange*, I beg to refer those who wish to gain a thorough knowledge of what this entry means to the Report of the Comptroller-General on the Accounts of 1880-81, which was published in the *Gazette of India* of March 4th, 1882. For my present purposes it will perhaps be sufficient to say that every rupee entered under *Gain by Exchange* represents merely the recovery of an amount which has been already charged under *Loss by Exchange*, and which has, therefore, to be written back. There is, I need hardly say, no real gain, using the term in its ordinary signification.

Loss by Exchange.

45. The true meaning of the entry *Loss by Exchange* has been very frequently explained (see especially para. 80 of the Financial Statement for 1881-82). But so long as we continue to employ the words heretofore used, so long will a large body of the public continue to think that the whole amount of this adjustment is really money lost to the tax-payers. To describe fully what this entry means would involve an amount of writing which would be quite inconsistent with the brevity necessarily required in an item of Account. But if we cannot describe what is meant in the body of the Accounts, we can, at all events, avoid the use of words which are misleading. To speak of the total amount entered under *Loss by Exchange* as money lost, is, of course, wholly erroneous, for under any reasonable hypothesis in respect to the relative value of gold and silver, only a portion of the amount can be considered as a real loss. We propose, therefore, for the future, in so far as the published Accounts are concerned, to get rid of the item *Gain by Exchange* on the Revenue side of the Account altogether, to discontinue the use of the word "Loss," and to insert a net figure on the Expenditure side of the Account, under the head of *Exchange on Transactions with London.*

Provincial Surpluses and Deficits.

46. Following the order of entries on the Disbursement side of the General Statement, the next items are the two adjusting entries, namely, *Provincial Surpluses, that is, Allotments to Provincial Governments unspent by them,* and *Provincial Deficits, that is, Portion of Provincial Expenditure defrayed from Provincial Balances.* For the moment I postpone my observations in respect to these two entries.

Total Expenditure charged against Revenue.

47. After these entries the *Total Expenditure charged against Revenue* is given.

Productive Public Works, Capital Account.

48. Immediately under this item comes the *Expenditure on Productive Public Works (Capital Account).* This is the same entry which has formerly

figured in *Statement II*, under the head of *37. Productive Public Works.* The detail of this entry is given at the end of Abstract B under the following heads:—

State Railways.
East Indian Railway.
Irrigation and Navigation.
Madras Irrigation and Canal Company's Undertakings.
Miscellaneous Public Improvements.

Debt Heads.

49. I have, so far, dealt only with the Revenue and Expenditure portions of the General Statement. I now proceed to deal with the Debt heads.

Receipts.

50. The Receipts under *Debt, Deposits, and Advances* are given under the following heads:—

Permanent Debt (net Incurred).
Unfunded Debt (net Incurred).
Deposits and Advances (net).
Loans to Municipalities, Native States, &c. (net Recoveries).
Capital of Guaranteed and Subsidized Companies (net Receipts).
Remittances (net).
Secretary of State's Bills drawn.

Disbursements.

51. Analogous entries are given in respect to the Disbursements on the other side of the Account. Full details in respect to the *Debt, Deposit, and Advance* Accounts will be found in Abstract C, which contains, indeed, more detailed information than has heretofore been given in *Statements IV, VII,* and *VIII* of the old classification.

Opening and Closing Balances.

52. The General Statement closes, on the Receipt side of the Account, with the balance at the commencement of the year in England and in India, and on the Disbursement side of the Account, with the balance at the close of the year in England and in India.

Provincial and Local Balances.

53. Abstract D gives the *Provincial and Local Balances.* This Account contains, in a somewhat condensed form, the same information as was given in *Statement IX, Closing Balances of the Provincial Governments* under the old classification.

Net Revenue and Expenditure.

54. Abstract E gives the *Net Revenue and Expenditure.* It contains the same information as was given in *Statement X* of the old classification, but arranged in a somewhat more precise form.

Adjusting entries.

55. I have so far stated what it is proposed to do with a view to making the Accounts and Estimates more simple and concise. I now propose to deal with the question of the adjusting entries entitled *Provincial and Local Surpluses and Deficits*, which, as I have already mentioned (para. 14) do not appear to be readily understood.

Explanation of entries.

56. The nature of these entries has frequently been explained before, but it will perhaps be as well that I should endeavour to explain them again. Under the Provincial system of Finance, the Government of India either makes allotments to Provincial Governments, or else hands over to them, in whole or in part, certain branches of the Revenue. If in any one year a Provincial Government spends less than its income, the amount by which it under-spends its income constitutes virtually a debt due by the Government of India to that Provincial Government. If, on the other hand, a Provincial Government, having a balance at its credit, spends in any one year, in addition to the income of that year, a portion of the accumulated balances of former years, then the debt due by the Government of India to that Provincial Government is by so much reduced. It would, of course, be very easy to present an Account which should show nothing but Imperial Revenue and Expenditure, and such an Account would, no doubt, be much more readily understood by the public than one which

embodies Imperial, Provincial, and Local Revenue and Expenditure. But it has been held, and I venture to think rightly held, that the adoption of this course is open to very great objection. It would not present an accurate picture of the sums received and spent by the Government in India. Thus, to take a single instance, under this system the Stamp Revenue for the year 1881-82 would appear as amounting only to £576,252 (see Appendix I. Abstract A), but, as a matter of fact, the Revenue derived from Stamps amounted to £3,381,372, of which £576,252 was Imperial and £2,805,120 was Provincial and Local. If, therefore, we want to show the total amount received and spent by the Government in India, and if at the same time we want to show in the same Account the net result of the year's finance to the Imperial Government only, it is absolutely necessary to make use of two adjusting entries. The *Provincial Surpluses*, that is to say the amounts by which the Provincial Governments have underspent their income and which, as I have already said, constitute a debt due from the Government of India to the Provincial Governments, must be added to the total expenditure. On the other hand, the *Provincial Deficits*, that is to say the portion of Provincial expenditure which has been defrayed from the accumulated Provincial balances of past years, and which, by so much, diminishes the debt due from the Government of India to the Provincial Governments, must be deducted from the total expenditure. This is done in the two adjusting entries which appear on the Disbursement side of the Account in the General Statement.

57. It is very possible, however, even with this explanation, and in spite of the explanatory language now employed for the first time in the General Statement,—to which I invite a reference,—that the matter will not be very readily understood. I have, therefore, appended to this Minute a memorandum (Appendix IV). which deals with the question at greater length, and which may possibly serve to render it more clear to the few people who are interested in the subject. Further, it will be seen on reference to Abstracts A and B of Appendix I that a separation is made between the Imperial Revenue and Expenditure on the one hand, and the Provincial and Local Revenue and Expenditure on the other hand. It will be seen that the Imperial Revenue and Expenditure in England and in India are shown separately, as was the case in *Statements V* and *VI* heretofore published. The whole of the Provincial and Local Revenue and Expenditure is in India, at least the few English items are brought on the Indian part of the Accounts. No such separation is, therefore, necessary. In *Statement III*, formerly published, the Provincial Revenue and Expenditure was shown separately from the Local Revenue and Expenditure. It has been thought, however, unnecessary to continue this separation so far as the Accounts and Estimates attached to the Financial Statement are concerned. It will be seen that in Abstracts A and B no such separation is made. A reference to the columns showing Imperial Revenue and Expenditure alone in Abstracts A and B will show, that although, of course, the several items are different to those shown in the General Statement—Provincial and Local Revenue and Expenditure being included in the latter,—*the net result is the same as that given in the General Statement after the adjusting entries have been made.* Thus, looking at the Accounts for the year 1881-82, the *Total Revenue* is given in the General Statement as £73,695,806, and the *Total Expenditure charged against Revenue* is given as £71.113,079, leaving a surplus of £2,582,727. In Abstract A the Imperial Revenue only is given as £54,618,853, and in Abstract B the Imperial Expenditure charged against Revenue is given at £52,036,126, thus leaving, as in the General Statement, a surplus of £2,582,727.

Adjustments in former Statement III.

58. A further change has been made which will, I trust, help towards the ready comprehension of this subject. If reference be made to *Statement III*,

published on the occasion of former Financial Statements, in which a distinction is made between Imperial, Provincial, and Local Revenue and Expenditure, it will be seen that the following entries appear on the Expenditure side of the Account :—

Add—

Contributions to Imperial.
,, ,, Provincial.
,, ,, Local.

Deduct—

Imperial Allotment.
Contributions from Imperial.
,, ,, Provincial.
,, ,, Local.

To be discontinued.

59. These adjustments are, without doubt, somewhat complicated and difficult to understand. For the future we propose to get rid of them altogether by passing all adjustments between Imperial and Provincial through the Land Revenue head, that is to say, they will be treated as additions to or subtractions from the Provincial share of the Land Revenue. It will be seen, on referring to the end of Abstract B, that no such entries appear as those which I have quoted from *Statement III* of the old classification.

Fallacy of leaving Adjusting Entries out of account.

60. I am aware that it may,—and by those who are resolved to take an ultra-pessimist view of the financial position of India, very probably will,—be said that the surplus of £59,800 shown, for instance, in the Revised Estimates for 1882-83, is fictitious, and that the correct view of the situation is to take no account of the adjusting Entries and thus show a deficit of £1,465,600. I can only say that any such statement would be wholly incorrect. As I have already said (para. 8), I am very far from wishing to under-rate the difficulties connected with the administration of the Indian Finances. It is not the duty of the Government, nor is it my duty, to take either an optimist or a pessimist view of the situation, but to lay before the public the facts of the situation as they stand, without exaggeration either in one direction or the other. But I may say that, whatever be the real difficulties connected with the financial administration of India, nothing could be more incorrect than to say, that because the Imperial and Provincial Revenue, taken together, falls short of the Imperial and Provincial Expenditure, taken together, in 1882-83 by £1,465,600, that, therefore, there is anything unsound in the financial situation, or that the surplus on Imperial Account does not in reality exist. On the contrary, so far as this particular argument is concerned, the fact that the Provincial Governments have been able to accumulate considerable sums in past years, and are now able to spend those sums, to a certain extent, on works of public utility, is in itself exceedingly satisfactory. The fallacy of this argument will perhaps become apparent if we look at the converse case presented in the Accounts of 1881-82. The true Imperial Surplus in that year, as appears from the General Statement and from Abstract B, is £2,582,727. But, under the assumption that the adjusting entries should be left out of account, the Surplus would be £4,102,519, that is to say £2,582,727 on Imperial and £1,519,792 on Provincial and Local Accounts. So, again, if we look at the Accounts for the last eleven years, that is to say, from 1871-72 to 1881-82, both inclusive (see Appendix III), it will be seen that there

	£
Revenue	67,913,900
Expenditure	69,379,500
Deficit	1,465,600

	£
Revenue (Abstract A)	73,695,806
Expenditure (Abstract B)	69,593,287
Surplus	4,102,519

have been six years in which the Revenue exceeded the Expenditure, the combined surpluses amounting to £11,494,784. Further, that there have been five years in which the Expenditure exceeded the Revenue, the combined deficits amounting to £12,760,621. The net result of the eleven years is, therefore, a deficit of £1,265,837, a result which, I may observe, cannot be considered as otherwise than satisfactory when it is remembered that during these years two severe famines and one costly war took place, and that the Expenditure includes nearly £1,500,000 as an insurance against future famines. But if we exclude the adjusting entries, we should arrive at a wholly different result. The eleven years would then show a net surplus of £2,041,494, that is to say, this incorrect mode of treatment would show a result of £3,307,331 better than the reality (see the end of Abstract B in Appendix III).

Conclusion.

61. Such, therefore, are the steps we propose to take with a view to facilitate the comprehension of the Indian Accounts and Estimates. It will be seen that the bulk of the published Statements is very considerably diminished, and yet I venture to think that all the details that are really necessary have been given. I need hardly say that for those who require to go into further detail, the Finance and Revenue Accounts (generally known as the Yellow Book), which have always been published, will be available, as well as the Appropriation Audit Report of the Comptroller General, which is published for the first time this year (see *Gazette of India* of March 17th, 1883).

62. The discussions which will, without doubt, ensue in connection with the Financial Statement now published, will probably show whether the object we have had in view has been attained. It is very possible that neither the officers of the Financial Department nor myself are good judges of what will and what will not be readily understood by the public. It is not impossible that our own familiarity with the subject, and the fact that it is our special business to be constantly dealing with these figures, leads us to suppose that the whole subject is more easy of comprehension than is really the case.

Old classification published.

63. With a view to enabling the nature of the changes now made to be more readily understood, I have annexed to this Minute (Appendix II) the Accounts for the year 1881-82 as well as the Estimates for the years 1882-83 and 1883-84 in the forms heretofore published.

Accounts of former years.

64. With a view, also, to enabling comparisons to be more easily made with former years, I annex to this Minute the Accounts from the year 1871-72 arranged according to the new classification (Appendix III).

Appendices.

65. It has heretofore been the custom to publish as Appendices to the Financial Statement, a series of commercial and statistical tables. These will, as heretofore, be published, (see *Gazette of India* of March 17th, 1883) but they will not be appended to the Financial Statement. They will be published separately. In future years the only Statements which will ordinarily be annexed to the Financial Statement will be—

(1) The General Statement.
(2) Abstract A, Details of Revenue.
(3) Abstract B, Details of Expenditure.
(4) Abstract C, Details of Receipts and Disbursements other than Revenue and Expenditure.
(5) Abstract D, Provincial and Local Balances.
(6) Abstract E, Net Revenue and Expenditure.

Services rendered by various officers.

66. I cannot close these remarks without expressing my cordial thanks, on behalf of the Government of India, for the assistance rendered by Mr. Cave

Browne and Mr. Waterfield at the India Office, and by Mr. Westland and Mr. Barbour in India, in dealing with this complicated subject. Should the object we have in view be attained, and the Accounts and Estimates of the future be more readily comprehensible to the public than heretofore, the credit will be mainly due to the labours of these gentlemen.

III.—Accounts for 1881-82.

Accounts, 1881-82.

67. The Accounts of the year 1881-82 show the following result:—

	£
Revenue	73,695,806
Expenditure	71,113,079
Surplus .	2,582,727

Remarks on the Accounts.

68. The year 1881-82 was in every respect one of remarkable prosperity. Almost every branch of Revenue yielded a sum largely in excess of the Estimates. The net *Opium* Estimate (£6,500,000) was exceeded by £1,305,000, of which £1,099,400 was due to excess Revenue and £205,600 to relatively low Expenditure consequent on a rather short Opium crop in Behar. *Salt* gave (net) £164,400 in excess of the Budget, and £220,400 in excess of the Revised Estimate. *Excise* gave £398,400 (net) in excess of the Budget Estimate. The import duties were abolished on March 10th, and allowance was made in the Revised Estimates for a falling off in *Customs* Revenue during the last three weeks of the year on that account. This falling off was, however, more than counterbalanced by the excess receipts from the export duty on rice, which yielded £104,100 more than the Budget Estimate. Owing to a large demand for timber, *Forests* gave (net) £117,800 in excess of the Budget Estimate. A large premium (£155,300) was realised on the Government loan of £3,000,000, which was taken up at an exceptionally high figure (105$\frac{3}{16}$). *State Railways* yielded (net) £119,100 in excess of the Budget, and £101,100 in excess of the Revised Estimates. *Guaranteed and Subsidised Railways* (*net Traffic Receipts*, after deduction of *Interest and Profits*) yielded no less than £722,700 in excess of the Budget, and £136,700 in excess of the Revised Estimates. The *East Indian Railway* (*net Traffic Receipts*) gave £461,900 in excess of the Budget, and £151,900 in excess of the Revised Estimates.

Extraordinary Receipts and Expenditure.

69. It is true that the surplus of the year was swelled by some extraordinary receipts. The portion, which remained to be brought to account during the year, of the *English Contribution for the Afghan War*, exceeded the net War expenditure of the year by £380,600 (see para. 70 of the Financial Statement for 1882-83 and para. 196 of the Appropriation Audit Report for 1881-82). Also the *Salt* Revenue during the last three weeks of the year was exceptionally high. I shall presently allude more specifically to this subject (see paras. 112—115). On the other hand, some very heavy extraordinary payments were made and the Expenditure under *Exchange* was largely in excess of the Estimates. The amount (£670,000) contributed by the Provincial Governments to the Afghan War Expenditure was repaid to those Governments by the Government of India. Special payments, amounting in all to £360,000, were made in connection with the renewal of the Provincial contracts (see paras. 64 and 70 of the Financial Statement for 1882-83). The Expenditure under *Exchange*

exceeded the Estimate by no less than £493,700. This excess was mainly due (1) to the fact that a large demand for bills sprung up at the end of the year, which enabled the Secretary of State to draw £1,212,400 (true sterling) in excess of his requirements for 1881-82, and (2) to the fact that the average rate obtained on the whole of the remittances (£18,412,429, true sterling), was 1*s.* 7·895*d.* against an Estimate of 1*s.* 8*d.*

70. On the whole, it may be said that, if the exceptional expenditure as well as the extraordinary items of Revenue be excluded from the account, the surplus would appear largely in excess even of the high figure (£2,582,727) which it actually attained.

71. For further details in connection with the Accounts of 1881-82, I beg to refer to the Comptroller General's Appropriation Audit Report published in the *Gazette of India* of March 17th, 1883.

IV.—Effect of abolishing the Import Duties.

Effect of abolishing the Import Duties.

72. It is of course too early yet to gauge the full measure of the advantage which India will ultimately derive from the abolition of the import duties, but the figures annexed to this Minute (Appendix V) are of some interest.

73. Exclusive of Government stores the imports of merchandise in the ten months from April 1st, 1882, to January 31st, 1883, amounted to £41,945,202; being £2,775,718 in excess of the imports for the corresponding period of 1881-82 (£39,169,484). The exports amounted to £65,770,066, being £1,324,783 in excess of the corresponding period of the year 1881-82 (£64,445,283).

Import of articles exempted from duty.

74. I append also (Appendix V) a Statement showing the quantities and values of those articles imported into British India, which were exempted from Customs duty last March, during the ten months ending January 31st, 1883, compared with the corresponding period of the year 1881-82.

Increase of Imports.

75. The articles in which an increase is shown in both quantity and value are 40 in number, the most important being Twist and Yarn, which have increased 11·59 per cent. in quantity and 7·5 per cent. in value; Grey Piece-goods, which have increased 1·92 per cent. in quantity and 2·0 per cent. in value; Coloured Piece-goods, which have increased 29·43 per cent. in quantity and 29·47 in value; Hardware and Cutlery, which have increased 22·88 in value; Copper, which has increased 32·07 in quantity and 31·01 in value; Iron, which has increased 34·12 in quantity and 37·59 in value; and Raw Silk, which has increased 43·80 per cent. in quantity and 52·28 per cent. in value. The increase in some minor articles of trade, such as Corals, Jewellery, Brass, Paints and Colours, Shells and Cowries, and Umbrellas are satisfactory indications of general prosperity.

Decrease of Imports.

76. The articles of trade in which a decrease is shown are 14 in number, the most important being White Piece-goods, which have decreased 18·35 per cent. in quantity and 10·88 in value; Silk Piece-goods, which have decreased 25·26 in quantity and 24·89 per cent. in value; and Tea, which has decreased 15·30 per cent. in quantity and 12·72 per cent. in value.

77. The total value of the articles of trade in which there has been an increase is £28,517,941, and of those in which there has been a decrease, £5,499,360; so that, of all articles affected by the remission of the duties, those in which the trade has increased represent a value of more than five times as great as that of the articles in which there has been a decrease. If we balance one set against the other, the total increase in the value of merchandise im-

ported during the ten months is 7·26 per cent. It is, of course, impossible to say with accuracy how far this increase is due to the abolition of the duties and how far it would have taken place had the duties been maintained. All that can be said with certainty on this subject is that the abolition of the duties must have contributed to increase the volume of trade.

General result.

78. Considering the low rate of exchange, which has, of course, operated unfavourably to imports, and considering the Egyptian complications, which not only for some time interrupted trade but, by creating a demand for Government transport, kept freights during part of the year at a higher level than they otherwise would have been, the result may be considered as satisfactory. In a slow-moving country such as India, it was not to be expected that the full advantage to be derived from the abolition of the import duties would be immediately obtained, or that consumption would increase at once in the ratio known to European countries.

79. The relief afforded to trade in general owing to the cessation of all the embarrassment and delay consequent on the levy of duties at the custom-house, cannot be represented in any arithmetical form. It is, however, a very important factor in the consideration of the question. The complaints on various petty matters, which were so frequently addressed to the Government whilst the duties were levied, have now almost entirely ceased.

Effect on Indian goods.

80. Independently of the question of the effect of the abolition of the import duties on the volume of the trade, it is desirable to examine whether the abolition has exercised any appreciable effect upon the import trade in those articles which compete with Indian-made goods of similar kinds.

Cotton goods.

81. Of such articles the most important are Cotton Twist and Cotton Piece-goods. In respect to these articles there has been a general increase, both in the quantity and the value of the imports, except under the head of White Piece-goods.

Twist.

82. The Twist which is imported from Europe does not compete with Indian Twist. For years past the great bulk of the Twist imported has been of counts much higher than any that can as yet be made in the Indian mills, which limit themselves to the production of Twist of counts not exceeding 32 (Mule) and 20 (Water). All such kinds of English Twist were freed from duty in March 1878.

Piece-goods.

83. Of the Grey Piece-goods imported, those classes which compete with Indian-made goods were also exempted from duty in March 1879.

84. White Piece-goods are hardly produced at all as yet in India, except experimentally in one or two of the Bombay mills. As I have already mentioned, there has been a large decline in the imports of this class of goods.

85. The Piece-goods classed as "Other sorts" are not made in India.

86. The remission of the customs duties last year did not, therefore, in any way affect Indian mills, which have had to work without the protection of $3\frac{1}{2}$ per cent. on Twist since March 1878 and of 5 per cent. on Grey Piece-goods of counts below 30s. since March 1879. As was pointed out in the Financial Statement of last year (paras. 210 and 211), the duty which was abolished last March really protected one class of Manchester goods against another, and even to some slight extent protected English goods against those manufactured in India. The duty forced trade into an artificial channel by stimulating the consumption of the coarser kinds of goods and discouraging the use of medium and finer classes to the extent of a differential rate of 5 per cent. I believe I am correct in stating that since the remission of the duty consumers have everywhere shown a tendency to go back to the old styles of cloth.

Export of Cotton goods.

87. The export of Indian-made Cotton Twist and Piece-goods has increased very largely as compared with the corresponding period of 1881-82. The export of Twist has increased by 44·9 per cent., namely, from 26,346,556 lbs. to 38,179,998 lbs., the increase in the China trade being especially remarkable. Piece-goods have increased to the extent of 31·3 per cent., namely, from 25,484,391 yds. to 33,454,359 yds. I am informed that eight new mills are in course of erection in Bombay, and will commence work during the current year. The prosperity of the mill-owners depends of course to a large extent upon the course of prices. Prices have fallen during the year, with the result that if we look not at the quantities, but at the values, we find that the value of Twist exported has only increased by 29 per cent. and that of Piece-goods by 20 per cent. It is, however, abundantly clear that the Indian cotton trade has in no way been detrimentally affected by the measures taken last March.

Raw Silk.

88. The import of Raw Silk has very largely increased as compared with the corresponding period of last year, although prices have been fully maintained. It is to a great extent of Chinese origin imported into Bombay for the silk mills and for hand-loom weaving, and into Burma for hand-loom weaving only. Bengal is the only Province of India where the silk-producing industry is conducted on any extensive scale. For many years past it has been in a declining condition. China silk competes with it not only in the European market but in India itself. Bengal has never been able to send any considerable quantity of silk to Bombay, which is supplied almost wholly from sources external to India. But with Madras, Bengal has formerly done a considerable trade, and this trade appears to be declining. On the other hand, the export of raw silk from Bengal to foreign countries has again given some signs of returning vigour, having increased from 281,966 lbs. to 372,072 lbs., which is, however, still below the figure of the corresponding ten months of 1880-81 (398,323 lbs.).

Sugar.

89. Last year, when the import duties were abolished, some apprehension was expressed lest their abolition should injuriously affect the sugar industry of India, and it was urged that that industry stood in need of protection. Without going into the question of the principle involved in this argument, it will be sufficient for me to say that the experience of ten months has shown that no injury to the sugar industry of India has resulted from the abolition of the duties. For all practical purposes it may be said that all the sugar imported into India is refined or crystallized sugar, which is brought from Mauritius and China to Bombay. Refined sugar is only produced to a very small extent in Bengal, the North-Western Provinces, and Madras. It is almost all used for local consumption by Europeans. In the places where such sugar is consumed no sugar has as yet been imported from abroad. The Indian export trade in sugar is carried on mostly from Madras. By far the greater portion is unrefined sugar, that is to say, molasses, jaggery, etc. The removal of the duty, therefore, did not affect Indian sugar at all, and in fact could not have done so. It appears also from the Trade Returns that, whilst the import of refined sugar has decreased from 666,587 cwt. to 519,367 cwt., that is to say by 22 per cent., the export from India of unrefined sugar has increased from 758,054 cwt. to 1,069,509 cwt., that is to say by 41 per cent. Further, the export of refined sugar, which was only 15,580 cwt. in 1880-81 and 29,008 cwt. in 1881-82, increased in 1882-83 to 98,273 cwt. Again, if we look at the internal trade of India, the exports of refined sugar from Bengal to Bombay have increased from 29,465 cwt. in the whole of the year 1881-82 to 61,682 cwt. in the ten months ending January 31st, 1883.

Tea.

90. Tea is one of the articles which was relieved from duty last March. The imports, however, have not increased, but have, on the contrary, fallen off from 2,393,413 lbs. to 2,027,119 lbs., a reduction of 15¼ per cent. Much of the tea imported into India is intended for trans-frontier consumption in Central Asia. The import trade has, without doubt, been a good deal checked by the heavy duties which are imposed by the Russian Government.

Tobacco.

91. The import of Tobacco has increased from 1,146,803 lbs. to 1,316,350 lbs., an increase of 14¾ per cent., which is very possibly due to the reduction of the duty. This increase of imports has not, however, resulted in any reduction in the consumption of Indian tobacco, the demand for Indian cigars being not only undiminished but increasing.

Importations of silver.

92. A very noticeable feature in the transactions of the year is the large amount of treasure imported (*vide* Appendix V). During the ten months ending January 31st, 1883, the value of the exports of merchandise exceeded that of the imports by £22,153,355. The debt thus due from Europe to India was paid (1) by the net importation of treasure to the extent of £11,193,922, of which £4,394,651 was gold and £6,799,271 silver, and (2) by drafts of the Secretary of State on the Indian Treasury to the extent of £12,804,500, thus leaving a balance of £1,845,067 remitted to India in apparent excess of the trade requirements of the ten months.

93. During the corresponding period of 1881-82 the excess of exports over imports was £23,524,590, the net imports of treasure amounted to only £7,061,635, of which £4,214,855 was gold and £2,846,780 silver, and the amount of Secretary of State's Bills paid was £17,381,100, leaving a balance of £918,145 remitted to India in apparent excess of the trade requirements of the ten months.

94. Attached to Appendix V will be found a few observations upon the progress made in the policy of purchasing Government Stores in India instead of in England. As I have before pointed out it will not be possible to make any very serious impression on the amount of stores imported from England until iron work and machinery, equal in quality and not superior in price to that manufactured in England, can be made in India.

V.—Effect of reducing the Duty on Salt.

Effect of reducing the Duty on Salt.

95. It will be remembered that prior to March 10th, 1882, the duty levied on Salt in Bengal was R2-14 a maund. Elsewhere, except in Burma and the trans-Indus districts of the Punjab, duty was levied at the rate of R2-8 a maund. On March 10th, 1882, the duty was reduced to an uniform rate of R2 a maund all over India, except in Burma and the trans-Indus districts of the Punjab, where no change was made.

96. The main points to be considered in connection with the reduction of the duty are (1) whether the retail price of Salt has fallen, and (2) whether consumption has increased.

Fall of retailed price.

97. As regards the first point, there can be no doubt whatever that, generally speaking, the reduction has, to a greater or less extent according to the circumstances of each locality, reached the consumer. The following table shows the retail price per maund of Salt (1) in the second half of February 1882, that is to say, immediately before the reduction of the duty; (2) in the first half of June 1882, that is to say, about three months after the reduction; and (3) in the first half of January 1883, that is to say, about 10 months after the reduction.

The figures give the average price struck on the totals for all the districts in each province.

Provinces.	Second half of February 1882.	First half of June 1882.	Fall in prices per maund in June 1882, as compared with February 1882.	First half of January 1883.	Fall in prices per maund in January 1883, as compared with February 1882.
	₹ a. p.	₹ a. p.	₹ a. p.	₹ a. p.	₹ a. p.
Madras	3 2 5	2 10 4	0 8 1	2 9 8	0 8 9
Bombay	2 15 5	2 10 6	0 4 11	2 9 1	0 6 4
Bengal	4 7 1	3 6 6	1 0 7	3 6 2	1 0 11
Assam	5 9 1	4 12 5	0 12 8	4 10 2	0 14 11
North-Western Provinces .	4 3 4	3 12 11	0 6 5	3 9 6	0 9 10
Oudh	4 7 1	4 0 5	0 6 8	3 14 1	0 9 0
Punjab	3 9 10	3 0 9	0 9 1	2 15 8	0 10 2
Central Provinces . .	4 9 2	4 2 11	0 6 3	3 14 5	0 10 9
Hyderabad Assigned Districts	4 7 1	4 0 5	0 6 8	3 13 8	0 9 5
Mysore	4 2 1	3 14 10	0 3 3	3 12 11	0 5 2
Coorg	4 6 7	4 3 4	0 3 3	4 3 10	0 2 9
Rajputana	3 9 2	3 3 5	0 5 9	3 0 6	0 8 8
Central India Agency . .	4 1 3	3 9 6	0 7 9	3 6 6	0 10 9

Comparative price lists.

Average fall of price.

98. It will be seen that, with the single exception of the small province of Coorg, prices fell materially within the first three months after the reduction of duty, and that ten months after the reduction, prices had reached a still lower level. In Coorg only have prices slightly increased since the first fall after the reduction, but they are still about 4 per cent. lower than they were just before the reduction. Mysore also shows, comparatively speaking, only a small fall in price, *viz.*, from ₹4-2-1 to ₹3-12-11, or 7·74 per cent. In the other provinces the fall ranges from 12·66 per cent. in Oudh to 23·8 per cent. in Bengal. As the reduction of duty was about 30 per cent. in Bengal as compared to 20 per cent. elsewhere, it was, of course, to be expected that the fall of price would be proportionately great in that Province.

Official reports.

99. The testimony of official reports confirms the conclusion to be drawn from the price lists. Thus, to quote one of many such reports, the Deputy Commissioner of the Sonthal Pergunnahs, writing very shortly after the reduction of duty says—

"The most important change is that in the retail price of common eating Salt. The "reduction of duty reached the masses to a certain extent before the close of the year "under report (1881-82). It has since reached them even more perceptibly. This reduc- "tion in cost may have an important effect upon this district, for it may lead to a very "considerable expansion of the fishing industries, and thus provide occupation for the "surplus population and for the agricultural population when work on the land is slack. "One consignment of coarse salt has, I hear, been already sent to Sahibgunge for fish- "curing purposes. * * * * Salt-fish, properly prepared, "would be an important and valuable addition to the food-supply of this district."

"A large future," the Lieutenant Governor of Bengal observes in reviewing this report, "lies before this (the fish-curing) industry."

Publicity.

100. It will be remembered that some special measures were adopted with a view to ensuring publicity being given to the reduction of the duty. These

measures appear to have been generally attended with success. In Behar, especially, a recent report says "the news that the Salt Tax had been reduced " * * * is said to have spread with unexampled quickness."

Increased consumption.

101. I now turn to the question of increased consumption. The following table shows the consumption during the eleven months from March 1st, 1882, to January 31st, 1883, compared with the corresponding period of the year 1881-82. The figures for Burma are excluded, as no change was made last March in the rate of duty levied in that province. I may remark, however, that the consumption in Burma has up to the present time been less in 1882-83 than it was in 1881-82.

Comparison of 1881-82 and 1882-83.

In thousands of maunds (000s *omitted*).

Province.	Consumption, March 1st, 1881, to January 31st, 1882.	Consumption, March 1st, 1882, to January 31st, 1883.	Percentage of increase + or of decrease —.
	Maunds.	Maunds.	
Bengal	8,207	8,723	+ 6·29
Inland Customs	6,178	6,112	— 1·07
Bombay	4,361	4,695	+ 7·66
Sindh	148	166	+12·16
Madras	5,604	6,405	+14·29
TOTAL .	24,498	26,101	+ 6·54

Increases and Decreases since 1877.

102. The following figures show the increase or decrease for the eleven corresponding months of each year, from 1874-75, as compared with the previous year:—

				Maunds.
March 1st, 1874,	to	January 31st,	1875	+288,000
" 1875	"	1876		+ 77,000
" 1876	"	1877		+498,000
" 1877	"	1878		+491,000
" 1878	"	1879		+367,000
" 1879	"	1880		+1,724,000
" 1880	"	1881		—690,000
" 1881	"	1882		+1,016,000
" 1882	"	1883		+1,603,000

Difficulty of making accurate comparisons.

103. So many changes have been made since 1873 that it is difficult, by any comparison with past years, to arrive at a thoroughly accurate conclusion as to the extent to which consumption has been stimulated by the reduction of the duty. Of course, under normal circumstances, as the population grows the consumption of Salt will also increase, if no disturbing elements, such as a change in the rate of duty or a famine, intervene. This normal growth of consumption has generally been taken at rather less than 1 per cent. It is, however, to be observed that the large increase in 1879-80 (1,724,000 maunds) followed on a year of relatively low consumption and was again followed by a year of relatively low consumption. On the other hand, 1881-82 was a year of high consumption, the increase being 1,016,000 maunds over 1880-81. It is, therefore, especially satisfactory to note that, in spite of the high consumption in 1881-82, the year 1882-83 shows an increase of no less than 1,603,000 maunds. There can be no doubt that a very considerable portion of this increase is due to the reduction in the duty.

104. If we turn to the details of each province, some remarkable differences in the rate of increase are observable.

Madras.

105. The largest increase (14·29 per cent.) is shown in Madras. This was to be expected. As I mentioned in the last Financial Statement (para. 199) the people of Southern India require more Salt than the more Northern populations, whose principal food consists of wheat and pulses. Moreover, the people in Madras have, in quite recent times, been accustomed to a lower rate of duty. In view to the abolition of the Customs Line the duty in Southern India was raised in December 1877 from Re. 1-13 to R2-8 a maund. In consequence, consumption was, without doubt, curtailed. It was to be expected that, so soon as the duty was reduced, the people would readily go back to their old rate of consumption.

106. The reduction of duty is not, however, the sole reason why the increase is so large in Madras. In the first place a great deal has been done within the last year or so to improve the organisation of the Salt Department in the Madras Presidency, with the result that illicit consumption has probably been to some extent checked. And, in the second place, Madras Salt has been for some years displacing the Salt supplied from Pooree. The figures given in the margin show that the quantity of Salt supplied from the Pooree warehouses has been steadily falling off for the last four years, and that the falling off in 1882 has been especially remarkable.

	Maunds
1879-80	308,384
1880-81	241,559
1881-82	163,932
1882-83 (ten months)	90,722

Sind.

107. The increase in consumption in Sind has been nearly as great as in Madras, *viz.*, 12·16 per cent. The total consumption in this province is, however, small. A portion of the increase is probably due to Sind Salt having to some extent taken the place of Rock Salt in the Lower Punjab.

Bombay.

108. The increase in Bombay, though considerable (7·66 per cent.) falls far short of that in Madras and Sind. A portion of this increase is, without doubt, due to Bombay Salt having to some extent displaced Sambhur Lake Salt in Northern and Central India.

Bengal.

109. Bengal shows an increase of 6·29 per cent. I have already mentioned (para. 106) that the territorial area supplied from Bengal has, in one quarter, been restricted, owing to Madras having, to some extent, taken the place of Pooree Salt. On the other hand, the abolition of the differential rate of duty on sea-borne Salt has, of course, placed that Salt in a better position to compete with Sambhur Lake Salt in the North-West Provinces and Oudh. An indication of the extent to which this displacement has taken place is given in the following figures, which show the quantity of Cheshire Salt imported by rail into the North-West Provinces and Oudh during the last four years :—

	Maunds.
1879-80	32,306
1880-81	27,405
1881 82	31,957
1882-83 (six months only)	107,589

There was also during the year, for the first time, an importation of Cheshire Salt,—to the extent of about 10,000 maunds,—into the Central Provinces.

Inland Customs.

110. The only quarter where a decrease is shown is under the head of "Inland Customs." This is mainly Sambhur Lake Salt, which supplies Northern India. The territorial area heretofore supplied from this source has been much restricted. As I have already mentioned (paras. 108-109) Bombay Salt from the west, and Cheshire Salt from the east, have both pushed their way into the territory heretofore supplied mainly from the Sambhur Lake. Under these circumstances, the fact that there has only been a decrease of 1·07 per cent. on the Salt sold by the Inland Customs Department shows that the people, within the more limited area now supplied by that Department, have increased their consumption. This was to be expected, for it is certain that the abolition

of the Customs Line in 1878 resulted in a great rise of price in the Native States of Rajputana, and that the people of those States, in consequence of the enhanced price, curtailed both their own personal consumption and that of their cattle. It was, therefore, to be expected that, with a reduction of duty, a tendency would be shown to revert to the old rate of consumption. The Governor-General's Agent reports that "there is no doubt whatever that the "late reduction has reached the consumer and, generally speaking, I may say "that he has benefited exactly to the extent of the reduction made in the duty."

Financial effect of reduction.

111. Turning to the financial effect of the measure, it is to be observed that an increase of consumption to the extent of 1,603,000 maunds represents, at Rs. 2 a maund, an additional revenue of £320,600. To the extent of this sum, therefore, it may be said that the loss of revenue consequent on the reduction of duty (£1,400,000) has been recouped by the increased consumption of eleven months.

Comparison with Estimate.

112. Regarding the matter from the point of view of the anticipations framed last March, it is to be observed that, in order to arrive at a proper appreciation of the facts of the case, it is necessary to consider the figures for the years 1881-82 and 1882-83 together. The duty, it will be remembered, was lowered on March 10th, 1882. The immediate effect of the reduction was to give a great stimulus to clearances of Salt in Bengal, and, although to a less degree, to wholesale purchases elsewhere. The market became over-stocked, and consequently during the early months of the current financial year, the revenue suffered. It follows, therefore, that the revenue of 1881-82 was disproportionately increased, and that of 1882-83 disproportionately diminished, by the course of trade during the last three weeks of March 1882.

113. The gross revenue for 1881-82, after making what was at the time considered a reasonable allowance for a reduction of the revenue during the last three weeks of the year, was, in framing the Revised Estimates, taken at £7,213,000. The actual receipts were £7,375,620, being £162,620 in excess of the estimate.

114. The gross Revenue for 1882-83 was estimated last March at £6,049,000. It is now estimated at £6,128,700, being £79,700 in excess of the Budget Estimate. This figure does not, however, accurately represent the full amount by which the Revised exceeds the Budget Estimate of Revenue. The Expenditure under *Salt* is now taken at £139,600 less than the Budget Estimate. To the extent of £59,000 this large decrease of Expenditure is due to the following cause. At the commencement of the financial year a system prevailed in Northern India under which Salt was conveyed by the Government from the Salt sources to certain depôts. The charges likely to be incurred on account of transport from the sources to the depôts appeared on the Expenditure side of the Estimates of 1882-83, and, inasmuch as the cost of transport was added to the selling price of Salt at the depôts, an analogous amount appeared on the Revenue side of the Estimates. During the year the depôt system was abandoned, with the result that both the Revenue and Expenditure under *Salt* were reduced to the extent of £59,000. The real excess of Revenue over the Budget Estimate is, therefore, not £79,700, but (£79,700 + £59,000) £138,700.

115. Taking the two years together, therefore, the result is that the Estimate of gross Revenue framed last March stood at £13,262,000, and that the Estimate now stands at £13,504,320, being £242,320 in excess of the Original Estimate. To this figure, however, it is, as I have already explained, necessary to add a sum of £59,000, thus bringing up to £301,320, the true figure by which the Salt Revenue has exceeded the Estimate framed last March.

Results satisfactory.

116. Very rapid advance in this, or in any other matter, is not to be expected in India. But on the whole it may be said that the results obtained so far in

connection with the reduction in the duty on Salt are satisfactory. The progress in the direction of increased consumption has been greater than was anticipated at the time the Budget Estimate was framed last March. Should the same rate of increase continue the Revenue, at the reduced rate of duty, will in less than three years from the present time stand at the same figure as it did prior to the reduction of the duty.

VI.—Revised Estimates for 1882-83.

Revised Estimates for 1882-83.

117. Up to the present time the Estimates for the year about to expire, which are presented at the time the Financial Statement is made, have been termed the Regular Estimates. I have been unable to discover how or why the word "Regular" came to be adopted. It was used by Mr. Laing in 1861. It was not used on the occasion of the Financial Statement of 1862, but it re-appeared in 1863, and its meaning was explained by Sir Charles Trevelyan in a foot-note. Since 1863 the word has always been used.

118. There does not appear to be any reason for continuing the use of a word, which can only be understood by those who know the technical meaning attached to it, when another word, which any one can understand, is available. For the future, therefore, the word "Revised" will be used instead of "Regular."

119. I proceed to deal with the Revised Estimates for the year 1882-83.

General Situation in March 1882.

120. The financial year which is about to close has presented many remarkable features. At the commencement of the year the salient points of the financial situation were as follows. The country had at length recovered from the disastrous effects of the famine of 1877-78. The return of peace enabled the Government to turn its attention to those fiscal and domestic reforms, the consideration of which had necessarily been postponed during the continuance of the Afghan war. A large surplus was available. A favourable opportunity presented itself, therefore, for the execution of certain fiscal reforms, the desirability of which had long been recognised. With the exception of the duty on wine, spirits, malt liquor, arms, ammunition, opium, and salt, the whole of the import duties were abolished. A large reduction was effected in the duty on salt. Some substantial relief was afforded to the agricultural classes in the North-Western Provinces and Oudh.

Dangers peculiar to Indian finance.

121. Hardly had effect been given to these important and beneficial reforms, when it became apparent that three out of the four peculiar dangers to which the finances of India are exposed would, to a greater or less degree, have to be encountered in the immediate future. These dangers are war, a diminution of the Opium revenue, an increase of expenditure on account of charges payable in sterling, and famine. In respect to every one of these dangers,—including, in the particular instance in point, war,—it may be said that their occurrence is governed by causes over which the Government of India can exercise little or no control. On the other hand, the entire brunt of bearing three out of four of these risks falls on the Imperial Government of India.

The Provincial system.

122. In connection with this last remark I wish for one moment to digress, in order to show the bearing of the Provincial system of finance upon the points immediately under discussion.

Its many advantages,

123. The policy of financial decentralisation, which was not the least of the numerous benefits conferred by Lord Mayo and Sir John Strachey on India, has been productive of the most beneficial results. In the remarks I am about to make I wish it to be clearly understood that I am very far from wishing to say anything in the slightest degree condemnatory of that policy. On the contrary it is, as is well known, a policy which commands the entire approval of the present Government, and with which, I may perhaps be permitted to say, I heartily sympathise. The advantages of the system far outweigh any

And one disadvantage.

of its disadvantages. On the other hand it cannot be denied that this very desirable reform has been unavoidably accompanied with one disadvantage, and it is to this disadvantage that, for reasons which I will presently specify, I now wish to allude.

Developments of the policy.

124. It will be remembered that the original policy of decentralisation has received further development on the two occasions,—first in 1877, and again in 1882,—when the quinquennial contracts between the Imperial and Provincial Governments terminated.

Arrangements under contracts of 1882.

125. On the occasion of the last Financial Statement (paras. 38—64) I explained fully the precise terms of the new Provincial contracts. It may, however, be convenient that I should again explain the general nature of the arrangements resulting from those contracts.

126. The Provincial Governments now receive the whole of the Revenue under heads which produce about £4,000,000 a year, half of the Revenue under heads which produce about £8,000,000, a larger or smaller percentage on heads (chiefly Land Revenue) which produce about £23,000,000, and an almost nominal share in Revenues which produce about £7,000,000. On the other hand, the Provincial Governments administer the Expenditure wholly under heads for which the grants amount to about £15,000,000, and to a very small extent under heads for which the grants amount to about £4,000,000 a year. In other words, about three-fifths of the Revenue of British India, amounting roughly to £42,000,000, and about one-fourth of the Expenditure, amounting roughly to about £19,000,000 a year, have, under the contract of 1882, been provincialised; that is to say, the Provincial Governments have to a greater or less extent, according to the circumstances of each head, an interest in and responsibility for their administration.

Stability is essential to the system.

127. It is essential to the proper working of the Provincial system of finance that an element of stability should, to as great an extent as possible, be imported into the arrangements between the Imperial and Provincial Governments. Unless the latter are assured that any increase of revenue consequent on improved management, or any savings which may accrue from economical administration, will remain at their own disposal, but slight inducement will be offered to them to improve the management of their resources or to exercise economy in their administration. Accordingly, in concluding the contracts of 1882, the assurances previously given to the effect that the Imperial Government would not call on the Provincial Governments for any pecuniary assistance, save on occasions of very great and extraordinary emergency, were ratified and to some extent emphasised. The money (£670,000) contributed by the Provincial Government towards the expenses of the Afghan war was at the same time repaid.

Famine the only danger to which Provincial finance is exposed.

128. It thus happens that, of the four dangers to which I have alluded above, one only,—famine,—can, save under very extraordinary circumstances, affect Provincial finances. I am far from condemning this arrangement. On the contrary, I think it is, on the whole, the best of which the circumstances of the case admit. It is the Provincial Governments, and not the Government of India, who are brought in immediate contact with the people. They supervise the whole of the ordinary administrative work of the country. Through their instrumentality, or through agency working in close connection with their officers, most of the smaller, and some of the larger, public works are executed. It is a distinct advantage that, should any sudden emergency arise, such as war, a diminution of the Opium Revenue, or a further depreciation in the value of silver, the Provincial Governments should be able to feel that the progress of any administrative reforms they may have undertaken, or the execution of any public works for which Provincial funds are available, will not be checked. On the other hand, it cannot be denied that, whilst the probability of any such

emergency arising has in no degree diminished since the adoption of the Provincial system of finance, the power of the Government of India to cope with an emergency is to some extent impaired by reason of the pledges taken towards the Provincial Governments.

No further imperial grants can be made.

129. I make these remarks for the following reasons. All the new contracts have now been finally concluded. I mentioned in the last Financial Statement (para. 45) that some questions still remained outstanding with the Madras Government. These have now been settled. Under these circumstances it is very desirable that it should be fully understood that no further changes can be made in the terms of the several contracts. The Government of India, on its side, will adhere strictly to the principles laid down in the Resolution of September 30th, 1881. On the other hand, it must call upon the Provincial Governments to abide with equal strictness to their portion of the contracts. The contracts have not been made in any illiberal spirit. Each Provincial Government starts with a balance at its credit and with a normal revenue in excess of its normal expenditure. Under these circumstances the Provincial Governments must look solely to the gradual development of their own resources, and to economy in their own administration, to provide whatever further funds may be required for services classed as Provincial. The Government of India cannot entertain any further proposals for increased Imperial grants on account of those services. It may be, and probably is, the case that in almost every Province of India the funds available are not commensurate with the work which sooner or later will require to be done. That is the normal condition of a country whose necessities are great, whilst the tax-paying power of its population is small. Under these circumstances, progress in many directions will possibly be comparatively slow, and it is inevitable, under all the conditions of Indian Government, that it should be slow. But what I particularly wish to point out is that the Government of India cannot at present make any further grants from Imperial funds in order to ensure more rapid progress. Indeed, in some respects it may be said that the Provincial Governments are in a better position to provide whatever funds may be required than is the case with the Imperial Government. For the reasons which I have already given an element of stability is imported into Provincial finance which Imperial finance cannot at present possess. Not only do the three points to which I have alluded constitute dangers which are wholly borne by the Imperial Government of India,—not only does the fourth danger (famine) materially affect Imperial as well as Provincial finance,—but if any further fiscal reforms are to be made,—and there are several which it would be very desirable to make,—any loss of money which may accrue from their execution must be borne by the Imperial Treasury.

Altered situation during the year.

130. To return from this digression. I have said (para. 121) that hardly had the large fiscal reforms of last year been carried out when it became apparent that three out of the four dangers to which the finances of India are specially exposed would have to be encountered in the immediate future.

Egyptian Expedition.

131. In the first place, we have had a war. The cost of the Indian Contingent which was sent to Egypt is now estimated at £1,297,000. Her Majesty's Government has intimated its intention of repaying £500,000 (true sterling) of this amount to the Government of India. This sum of £500,000 will be brought to credit at once. A corresponding reduction will take place in the Secretary of State's drawings for 1883-84. The net cost of the Egyptian Expedition to the Indian Treasury will, therefore, be £797,000.*

* This is the net figure which appears in the Revised Estimates for 1882-83, but in 1883-84 there will be a diminished charge under *Exchange* by reason of the reduction of £500,000 (true sterling) in the amount of the Secretary of State's drawings. The diminution of expenditure under this head may at present rates be calculated at about £115,000. It may be said, therefore, that the ultimate net charge which will fall on the Indian Revenues by reason of the Egyptian Expedition is £682,000 (R68,20,000).

Opium.

132. Turning to Opium, I give below the net Revenue for the last four years:—

		£
1878-79		7,701,000
1879-80		8,252,000
1880-81		8,451,000
1881-82	Revised Estimate	7,838,000
	Actuals	7,805,000

133. The fluctuations in the Opium Revenue from month to month, and indeed, from week to week, are so considerable that it is very difficult to make any very close estimate even for the short period of the present financial year which remains to expire. According to the best estimate that can be framed, however, the net Revenue will probably amount to £7,217,000, being £33,000 less than the Budget Estimate. The deficiency is due to the Expenditure being greater by £95,000 than was anticipated last March. This excess expenditure is partly due to the fact that the Opium crop in Bengal was a good one, and that, therefore, more money than was expected had to be paid for crude Opium, and partly to the fact that 2,000 maunds of Malwa Opium were purchased for the manufacture of Excise Opium. The excess expenditure is partly balanced by an increase of Revenue to the extent of £62,000 over the Budget Estimate.

Competition of the Chinese drug.

134. It will be seen, therefore, that the estimated net Revenue from Opium for the current financial year is less by £1,234,000 than the actual receipts of 1880-81, less by £621,000 than the Revised Estimate for 1881-82, and less by £588,000 than the Actuals of 1881-82. There can be little doubt that the main cause of this progressive diminution is to be found in the increased competition of the indigenous Chinese drug, to which I alluded in the last Financial Statement (paras. 143—145). The falling-off in the Opium Revenue has not seriously disturbed the finances of the year. The net Budget Estimate will probably be nearly realised. What, however, I wish to point out is, that in former years Opium has very often yielded a large sum in excess of the Estimate, and has thus enabled the Government to meet any unforeseen demands which might be thrown upon it during the course of the year. Nothing of this kind has occurred during the current year. On the contrary, the Opium Revenue is, as I have already mentioned, likely to fall below the Budget Estimate of £7,250,000 by £33,000. I shall presently revert to this question in dealing with the Budget Estimate for the year 1883-84 (paras. 195—207).

Exchange.

135. Turning to the question of Exchange, it is to be observed that the Budget Estimate provided for the sum of £15,342,000 (true sterling) being remitted to England, and that the rupee was taken at 1*s.* 8*d.* During the last three weeks of March 1882 bills to the extent of £908,000 (true sterling) in excess of the requirements of the year 1881-82 were placed on the market. This amount was taken in deduction of the drawings for the current year, which were thus, so far as this transaction only is concerned, reduced to £14,434,000 (true sterling).

Serious inconvenience due to instability in the value of the rupee.

136. At no period has the inconvenience to India of having to make a large annual payment in sterling been more apparent than during the current year. I will not now attempt to discuss whether it is to the advantage of India that the value of the rupee expressed in sterling should be low, that is to say lower than it used to be when the relative values of gold to silver were as 1 to 15½. That is a subject on which a great deal might be said. But it is not the fact that the value of the rupee is, comparatively speaking, low that causes inconvenience. It would be possible, although it might be exceedingly troublesome, to adjust the Indian fiscal system to a rupee of any value. What causes inconvenience alike to Government and to trade is that the value of the rupee is unstable. It is impossible to state accurately in Indian currency what the annual liabilities of the Government of India are. Those liabilities have

to be calculated afresh every year according to the variations which take place in the relative value of gold and silver, and a calculation which will hold good for even one year is exceedingly difficult to make. In March 1882 the value of the rupee was taken at 1*s.* 8*d.*, and at the time this estimate was made it was a reasonable one, based on the facts of the past and present. The value of silver was then about 52*d.* an ounce, which corresponds with a value of 1*s.* $8\frac{2}{16}$*d.* to the rupee. But since then the value of the rupee has been as high as 1*s.* $8\frac{5}{16}$*d.*, and as low as 1*s.* $7\frac{1}{16}$*d.* The average price obtained for the bills, amounting to £14,184,000 (true sterling), placed on the market up to March 9th, 1883, has been 1-$7\frac{3}{32}$*d.* When the Budget was framed it was thought that a debt of £14,184,000 (true sterling) would be liquidated by a payment of R17,02,03,000. It has actually cost R17,43,81,000 to liquidate that debt. It is sufficient to state these facts in order to show the grave inconvenience to the Government which results from the unstable value of the rupee.

Southern Mahratta Railway and Famine Insurance.

137. It will be desirable that I should explain in this place two financial transactions of the year which are intimately connected with each other and with the Expenditure under *Exchange*. The first relates to the transactions of the Southern Mahratta Railway Company. The second to the application of the annual grant of £1,500,000 under *Famine Relief and Insurance*.

138. The Southern Mahratta Railway was commenced by the Government as a famine work in April 1879, and work was afterwards recommenced by Government in November 1881. Up to the end of 1881-82 £394,000 had been spent on it, of which £291,000 had been charged to the Protective grant. A further sum of £369,800 was provided in the Budget Estimates for 1882-83 from the Protective grant for expenditure on this line.

139. In the summer of 1882 the line was handed over to a private Company. Capital to the extent of £1,724,600 (true sterling) has already been raised in London and paid to the Home Treasury of the Government of India. Of this amount about £550,000 is due to the Government for work already done, the remainder being intended to provide funds for the continuation of the works. The amount to be re-credited to the Protective grant during the present year is estimated to be £270,000, besides the expenditure incurred this year, and whatever is repaid will be credited to the head of *Famine Relief and Insurance* and become available for the construction of Protective Works, in addition to the annual grant of £750,000. Further, the original allotment of £369,800 made in the Budget from the Protective grant for expenditure on the Southern Mahratta Railway became available for expenditure on other Protective Works. The Public Works Department was, however, unable to spend the large sum of money which thus became available on Protective Works during the year. Their total net expenditure on these works in 1882-83 is now estimated at only £144,200. It was thought undesirable not to utilise at once the large sum of money belonging to the Famine Insurance grant which was thus available. A transfer of £605,800 will, therefore, be made to the Account of the Commissioners for the Reduction of Debt, thus increasing the amount available during the year for reducing debt to £1,330,200. A demand for money having recently sprung up, and the Secretary of State having already drawn the total sum required for the annual expenditure in England, it is contemplated to remit home an additional sum of about £1,000,000 (true sterling) during 1882-83, to invest this sum, and to apply it, as opportunity may offer, to the reduction of sterling debt in England. The Commissioners have been consulted on the subject, and approve of this arrangement. A separate account of the transaction will be rendered to them. The cost of the bills drawn in order to carry out this transaction will be debited to the Account of the Commissioners for the Reduction of Debt. In 1883-84 a reduction will be made in the amount available for *Reduction of Debt*, and a corresponding increase in the amount available for *Protective Works*, that is to say, the former having, in 1882-83, been increased

Reduction of Debt

to £1,330,200 will, in 1883-84, be reduced to £131,700 and the latter having, in 1882-83, been reduced to £144,200, will, in 1883-84, be increased to £1,355,800. It is estimated that the direct expenditure on *Famine Relief* in 1882-83 and 1883-84 will be £25,600 and £12,500, and consequently the aggregate expenditure on *Famine Relief, Protective Works,* and *Reduction of Debt* will be £1,500,000 in each of the years 1882-83 and 1883-84.

140. So far I have only dealt with the transactions of the Southern Mahratta Railway Company mainly in so far as they affect the Revenue and Expenditure of the year. I now turn to the consideration of the transactions in so far as they have affected the Ways and Means of 1882-83.

141. As the capital of the Company was paid to the Home Treasury of the Government of India, it was necessary, in order to enable the Company to proceed with its works, to provide funds for the Company from the Treasuries of the Government of India. A sum estimated at £480,000 (£400,000, true sterling) had to be so provided. For this, of course, no provision had been made in the Estimate of Ways and Means for the year. The Secretary of State, therefore, undertook to reduce his drawings during 1882-83 by an amount of £400,000 (true sterling), but he did not reduce his drawings by the total amount of the paid up capital of the Company. The balance of the money paid by the Company to the Secretary of State in excess of £400,000 (true sterling) was used to strengthen the Home cash balance, and thus enable the Secretary of State to purchase the Madras Irrigation and Canal Company's undertaking. It results, therefore, that, inasmuch as the Government of India has to supply funds for the Company in India at a rate of exchange of 1*s.* 8*d.*, every £1 paid to the Company in India involves a payment of R12, of which R2 appears as expenditure under *Exchange.* As a matter of fact the total expenditure under *Exchange* is, on this account, increased by £126,500 in 1883-84.

Result of these Operations.

142. I trust that I have made these operations clear. They are somewhat complicated. The general result, so far as the drawings and the expenditure under *Exchange* of the year 1882-83 are concerned, is as follows: (1) The Secretary of State's drawings for the year 1882-83 are now estimated at £15,042,000 (true sterling), of which £14,184,000 (true sterling) had been drawn up to March 9th; (2) the expenditure under *Exchange on Transactions with London* is now estimated at £3,116,000, being £341,000 in excess of the Budget Estimate; (3) a further sum, estimated at £227,000, representing *Exchange* on the remittance home of the sum of £1,000,000 (true sterling) will be charged against *Appropriation for the Reduction of Debt* (*vide* Abstract C).

	£	£ (True Sterling)
Original Estimate		15,342,000
Deduct:—		
(1) Excess drawings in 1881-82 in round figures	900,000	
(2) Reduction by Secretary of State on account of Southern Mahratta Railway transactions	400,000	
Total deductions	1,300,000	
Add:—		
(1) Remittance on account of Debt Commissioners	1,000,000	
Net deduction		300,000
Revised Estimate of drawings		15,042,000

Budget Estimates, 1882-83.

143. The Budget Estimates for 1882-83 were as follows:—

	£
Revenue	66,078,000
Expenditure	65,793,000
Surplus	285,000

Revised Estimates, 1882-83.

144. I have already mentioned (para. 131) that net Expenditure to the extent of £797,000, for which no provision was made in the Budget, was incurred during the year on account of the Egyptian Expedition. Also that the Expenditure under *Exchange* is now estimated at £341,000 in excess of the Budget Estimate

(para. 142). In spite, however, of the Egyptian expenditure, of the heavy charge for *Exchange*, and in spite of the fact that the net *Opium* Revenue is expected barely to come up to the Estimate (para. 133), the Revised Estimate shows a small surplus of Revenue over Expenditure. It is as follows:—

	£
Revenue	67,914,000
Expenditure	67,854,000
Surplus .	60,000

Reasons of surplus.

145. This satisfactory result is mainly due to two causes. In the first place the harvests were everywhere good, and the country has generally been in a prosperous condition. In the second place, in view of the large fiscal reforms which were carried out last year, it was thought advisable to frame all the Estimates of Revenue and Expenditure with even more than the usual caution. Otherwise it would not have been prudent to have undertaken those reforms.

Increases of Revenue.

146. Almost every branch of Revenue shows an increase over the Budget Estimate, whilst many branches of Expenditure show a diminution as compared with the Budget.* Thus the net *Land Revenue* (including *Portion of Land Revenue due to Irrigation*) shows an improvement of £172,000, of which £ 60,000 is on account of increased Revenue, and £ 112,000 on account of a diminution in Expenditure. *Forests* (net) show an improvement of £ 107,000; *Excise* (net) of £ 288,000; *Customs* (net) of £ 91,000; *Salt* (net) of £ 219,000, of which £ 80,000 is for excess Revenue, and £ 139,000 for diminished Expenditure; *Stamps* (net) of £ 68,000; *Railways* including those classed as Productive Lines (*State*, *Guaranteed* and *East Indian*) of £ 225,000, net; and *Irrigation and Navigation* (net) of £53,000 on the Ordinary and £17,000 on the Productive Account. The *Marine* Expenditure (net) is £ 104,000, the *Army* Expenditure (net) £ 74,000, and the Expenditure (net) under *Law and Justice* £121,000, less than the Budget Estimate.

Diminutions of Expenditure.

Exceptional receipts.

147. The Revenue of the year has been swelled by two exceptional receipts. In the first place, certain remissions of *Land Revenue* were contemplated in the Bombay Presidency last year; and in order to meet the loss on Imperial account involved in those remissions, a sum of £251,000 was credited to the Bombay Government in the Accounts of 1881-82. The amount remitted has, however, turned out to be less by £101,000 than was anticipated. This amount has, therefore, been again brought to the credit of the Imperial Government.

Patwari Fund.

148. In the second place, the balance of the Patwari Fund in the North-West Provinces, amounting to £199,000, has been brought to the credit of the Imperial Government. Under the arrangements made last year in connection with the abolition of the Patwari cess (see Financial Statement for 1882-83, paras. 59—

* In considering these figures it is to be borne in mind that the total amount by which the Revised Estimate, whether of an item of Revenue or of Expenditure, differs from the Budget Estimate, does not necessarily go to swell or diminish the Imperial surplus. Thus, to take a single example, an excess in gross Revenue of £284,900 under *Excise* means that the Imperial Government expects to receive £142,450 and the Provincial Governments £142,450, more than was originally estimated. So also, to take an example on the Expenditure side of the Account, almost the whole of the amount by which the Expenditure under *Land Revenue* falls short of the Estimate, benefits the Provincial Governments only. The figures given above, therefore, must only be taken as a general indication of the reasons why the Imperial Revenue has more than balanced the Imperial Expenditure. I have not thought it necessary to state in detail to what extent the excess of Revenue or diminution of Expenditure benefits the Imperial and Provincial Governments respectively.

I may mention in connection with this point that the Increase and Decrease columns, which formerly appeared in *Statements I* and *II* under the old classification of the Accounts and Estimates (see Appendix II, pages 68 to 71) are not given in Abstracts A and B of the new classification (see Appendix I, pages 54 to 59). It will be readily seen that they could not conveniently be given. This is, without doubt, a disadvantage, but the new classification is so superior to the old classification in all other respects as to make its adoption desirable. As both the old and new classifications are published this year (see para. 63 of Financial Statement), the inconvenience will not be felt immediately.

63), the Imperial Government has to bear the charges formerly paid from the Patwari Fund. The balance of the Fund was devoted to meeting charges connected with Surveys and the preparation of a Record of Rights in permanently-settled districts, and the charges on these accounts are being met at the cost of Imperial Revenues, which are recouped by receiving a credit of the balance of the Fund.

149. Both of these are extraordinary items of Revenue which will not recur in future years.

Increases of Expenditure.

150. On the other hand, the Expenditure under a few heads has exceeded the Budget Estimate, and some extraordinary expenditure has been borne which will not recur in future years.

151. The Expenditure under *Interest on Debt* is now calculated at an increase in all of £119,000, the increase being partly due to an arrear payment to the Maharaja of Patiala and partly to the charge for temporary loans in England in excess of the Budget Estimate; of this increase £71,000 appear in the Ordinary and £48,000 in the Productive Account. *Stationery and Printing*, owing mainly to unusually heavy purchases of stock, has cost £56,000 (net) more than was anticipated. The cost of *Administration* has exceeded the Estimate by £74,000, and that of *Superannuations* (net) by £79,000.

152. It was thought desirable to complete the *Frontier Railways* as soon as possible. An additional grant of £60,000 in excess of the Budget allowance was, therefore, made under this head during the year. The *Southern Mahratta Railway* has cost £33,000 (interest charge), and *Subsidized Railways* have cost £21,000, in excess of the Estimate. *Civil Buildings, Roads, and Services* are now estimated at £51,000 in excess of the Estimates. The excess is mainly due to additional grants having been made during the year for the extension of the Salt works at Uru in the Bombay Presidency, and for the erection of Government offices and clerks quarters at Simla. The construction of these buildings will lead to a diminution in the present annual charge on account of rent for the houses now hired.

VII.—The Wheat Trade.

The Wheat Trade.

153. The principal feature of the financial situation of the moment is that during the past year there has been a still further fall in the value of the rupee. The highest price obtained by the Secretary of State during the year 1882-83 for his Bills was 1*s.* $8\frac{5}{16}$*d.* on April 5th. The lowest price was 1*s.* $7\frac{1}{16}$*d.* on December 20th and 27th. The balance of trade between Europe and India was to an unusual extent settled by importations of silver, especially during the early months of the financial year. (See Appendix V.)

Value of Silver.

154. Some temporary and adventitious causes may possibly have tended to depreciate exchange during the year. But, in the main, the value of the rupee expressed in sterling must, of course, depend on the relative value of gold and silver. The highest price realised for silver in the London market during the year 1882 was $52\frac{7}{16}$*d.* per oz. corresponding to a rupee of 20·289*d.*; the lowest 50*d.* corresponding to a rupee of 19·3467*d.*; the average was $51\frac{5}{8}$*d.* per oz. corresponding to a rupee of 19·9755*d.** On the whole the general tendency has been downwards.

* *The Statist.* Financial and Commercial History of 1882.

Importance of removing obstacles from trade.

155. The only way in which it is within the power of the Government of India to meet the difficulties attendant on a depreciation in the value of the rupee is to free trade so far as is possible from all obstacles, and especially to do all in its power to develop the export trade.

The Wheat Trade.

156. A great deal has already been done in this direction. The import duties have been almost entirely abolished. The export duty on rice remains. It

would be most desirable that this duty should be removed. The financial situation does not, however, for the present permit of its abolition. Something, however, may be done in the way of encouraging the export trade in food grains, and especially in wheat. *Its recent development.*

157. This trade may, for all practical purposes, be said to date from the year 1873, when the export duty was removed. In 1881-82 nearly a million tons (19,863,520 cwt.) were exported. The export during the current year (1882-83) will probably be about 14,000,000 cwt.,—a figure which, although below the exceptionally large export of 1881-82, is still 100 per cent. in excess of that of 1880-81. The great strides made in this trade during the last few years are to a great extent due to railway extensions in India and, so far as the great exports of 1881-82 are concerned, to deficient crops in the United States.

158. For all practical purposes it may be said that the whole of the Indian wheat trade is with Europe. In 1881-82 only 310,000 cwt. out of 19,863,000 cwt. were shipped to other than European markets. The largest market for Indian wheat—as for most of the other staple products of India—is England. Out of the total quantity exported in 1881-82, England took nearly one-half, and has taken about the same proportion during the current year. France took 5,308,000 cwt. last year (1881-82) and has this year (1882-83) taken over 3,000,000 cwt. out of the 11,828,000 cwt. already exported. Indian wheat also goes to Belgium, Holland, Italy, and Egypt. But shipments to Egypt are only nominally for that country. Ships go to Port Said "for orders," and the exports recorded in our trade returns as going to Egypt are mostly intended for some Continental market. *Markets for Indian Wheat.*

159. The total production of wheat in the United Kingdom is estimated by Sir James Caird at 12,000,000 quarters, or rather over 53,000,000 cwt. (2,650,000 tons). The yield is said by Sir James Caird to be decreasing. He estimates that from 1873 to 1877 the average yield was 2½ quarters to the acre, and in 1879 not more than 2 quarters. In former years the yield has reached 3¼ quarters and more to the acre. He thinks that there is a decrease in fertility. The area under wheat is also diminishing and land is being used for more profitable crops, for dairy-farming, for grazing, and for market-gardening. Looking to the increase of population and to the general tendency to devote land to other uses than the growth of wheat, it may be anticipated that the demand for wheat in England from other countries will increase in the future. *Production of wheat in England.*

160. During the calendar year 1882, the English market was supplied with wheat from abroad to the extent shown in the following table :— *Imports into England from Foreign countries.*

	Cwt.
Russia	9,571,021
Germany	3,083,921
Turkey and Roumania	721,030
Chili	1,656,361
Australia	2,475,127
B. N. America	2,684,828
United States	35,059,623
Egypt*	174,862
India	8,477,479
Other Countries	267,370
TOTAL	64,171,622

161. In addition to this amount of wheat, wheat-flour to the extent of 13,028,705 cwt. was supplied to the English market from foreign countries during the year 1882, of which the United States furnished 7,777,262 cwt.

162. The total imports of wheat and wheat-flour were, therefore, 77,200,327 *The United States.*

* The low imports from Egypt were due to the war. The average imports from that country to England are considerably higher than the figure given above.

cwt., of which the United States supplied nearly 43,000,000 cwt., or about 56 per cent. of the whole. It is clear, therefore, that the United States is the most formidable rival with which India has to compete in the supply of wheat to the English market. Wheat flour has not as yet been exported from India.

Its advantages.

163. In this competition the United States possesses many natural advantages over India, which are, however, to some extent counterbalanced by one important disadvantage.

Relative production of the two countries.

164. Looking first to the advantages, it is certain that the United States can supply a much larger total quantity of wheat for export than can be supplied by India. Sir James Caird, addressing the Statistical Society on November 15th, 1881, said :—

"In a single year the United States increased their acreage by an extent equal to our (the English) total growth. In the 20 years from 1840 to 1860 their wheat production rose from 10 to 20 million quarters. In the 20 years from 1860 to 1880 it grew from 20 to 60 million quarters, and their extent of good wheat land is practically unlimited. The two great corn products of that country are wheat and Indian corn, in regard to the first of which this country, and Western Europe generally, will become increasingly dependent on America, and the price of wheat here will be chiefly ruled by the production there."

Acreage under cultivation in India.

165. In the Statistical Abstract of the United States for 1881, it is stated that in 1880 the area under wheat was 37,986,717 acres, the total production amounting to 271,531,624 cwt. or over 62 million quarters (over 13½ million tons).

166. It is difficult to state accurately either the acreage under wheat in India or the total outturn of the crop. Our agricultural statistics are still very defective for most provinces, and there are none at all for Bengal. According to the figures given in the Administration Reports of the different Provinces, there were, in 1880-81, 19,474,594 acres under wheat. These figures are, however, inclusive of 1,000,000 acres in Bengal, which is simply a guess, and is probably very wide of the mark. We shall probably not be far wrong if we take 21 millions as the total present acreage. The great wheat fields are in the Punjab, where also the quality is the best, the North-West Provinces, Oudh, and the Central Provinces. Bombay, Berar, and Bengal also grow wheat extensively, though in smaller quantity.

Outturn per acre.

167. The outturn per acre varies enormously according to the province and soil, and according to whether the field is irrigated or not. It is difficult to attain accuracy on this point, but it would seem that for all India the average yield cannot be taken, on a liberal estimate, at more than 700 lbs. to the acre, which is less than half the produce of the English (from 1,500 to 1,600 lbs.) and considerably less than that of the American wheat fields (850 lbs.).* At this rate of yield the total outturn would be about 6½ million tons, of which it may roughly be said that about one million tons are available for export.

Capability of increased production.

168. The question of the extent to which the amount of wheat available for export could be increased without trenching on the food supply of the people or materially enhancing prices is one of great difficulty. Some remarks bearing on the subject will be found in the Report of the Famine Commissioners, Part I, para. 158. Some high authorities are of opinion that, under favourable conditions as regards the prospect of a market, it would be possible within a few years to double the amount of wheat available for export, that is to say, to increase it to about 40,000,000 cwt. There can be no doubt that very large quantities of land are awaiting cultivation, especially in the Punjab, Burma, Assam, and the Central Provinces, but of course a good deal of this land is not suitable for

* In some places in America 25 bushels to the acre and more have been taken off an acre, but this quantity is greatly in excess of the average yield. The average outturn in 1880 for all the United States was 799 lbs. to the acre, but this was a small yield. In 1877 it was 848 lbs. A yield of 850 lbs. to the acre is probably a fair general average.

As regards the figure given above for India (700 lbs.), it is to be borne in mind that it purports to give the *average* yield per acre. In some districts the yield is certainly in excess of this figure, and on all *irrigated* land the yield is largely in excess of 700 lbs.

the cultivation of wheat. In the eastern districts of the Central Provinces the new lines of railway will now open out a very large tract of wheat-producing country, which up to the present time has been unable to find a market for its surplus produce owing to defective means of communication.

169. Any opinion on this subject can be little more than conjecture. All that can be said with certainty is that, on the one hand, the Indian outturn is capable of very considerable increase, and that the growth of the population in India is proceeding at a relatively slower rate than that of the United States, with the result that the proportionate amount of any increased production required for home consumption is less in the former than in the latter country. On the other hand, the processes of American are superior to those of Indian agriculture. The land in the North-Western and Western States is unexhausted and is of very great natural fertility. The acreage available for further cultivation is described on high authority as being "practically unlimited." The yield per acre in the United States is larger than in India. Under these circumstances it may be regarded as certain that, although the Indian supply of wheat available for export may be very considerably increased, the American supply may be increased to a still greater extent.

Ocean freights.

170. A further advantage possessed by the United States over India is in the matter of ocean freight. This advantage is not so great as might be the case under different conditions as regards the fiscal laws of the United States. The heavy duties levied by the United States Government on imported foreign goods naturally check the imports into America from Europe, with the result that, in the comparative absence of a demand for freight from Europe to America, shipowners are obliged to recoup themselves by charging relatively high freights from America to Europe. The disadvantage under which America labours by reason of this condition of things is artificial and not natural. It is imposed by the fiscal law and would be removed were that law changed. In spite, however, of the present condition of the United States Customs Tariff, proximity to the English market, together with the fact that Indian shipping has to pay Canal dues, is sufficient to turn the scale in favour of the United States. The distance from New York to Liverpool is 3,073 miles. The distance from Calcutta to London by sea is 8,083 miles; from Bombay to London 6,274 miles; from Kurrachee to London 6,080 miles. Dues are levied on passing through the Suez Canal at the rate of 10*fcs.* 50*c.* per registered ton.

Comparative freights.

171. The charge for steamer freight from New York to Liverpool is very variable. The rates in 1881 and 1882 were, on an average for the year:

	1881.	1882.
To Liverpool	15*s.* 2*d.*	12*s.* 2*d.*
„ London	16*s.* 11*d.*	16*s.* 0*d.*

172. In January of the present year the rates were, to Liverpool 21*s.* 9*d.*, and to London 22*s.* 9*d.* per ton. Freights seem generally to rule high in January. Comparing the rates from New York to Liverpool for 1882 with Indian rates, we find that during the year 1882 the average charge from Kurrachee to London was £1-18-9 a ton; from Bombay to London £1-15-2¼; from Calcutta to London £2-2-11.* Taking the average American rates of 1882 as the basis of comparison, New York may be said to possess an advantage over Kurrachee to the extent of about 26*s.* 7*d.* or 22*s.* 9*d.* a ton, over Bombay of 23*s.* 0¼*d.* or 19*s.* 2¼*d.*, and over Calcutta of 30*s.* 9*d.* or 26*s.* 11*d.*, accordingly as the Indian rates are compared with the New York rates to Liverpool or to London. On the other hand, Indian rates compare favourably with freight from San Francisco to the United Kingdom, which in 1881 averaged £3-3-11½ a ton. Last year, of the whole import of wheat into the United Kingdom from the United States, 42 per

* The rates stated here for Bombay and Kurrachee are for the ton of 20 cwt., the rates quoted in commercial circulars being for the ton of 16 and 18 cwt. respectively.

cent. was shipped from the Pacific seaboard; in 1881 it was 31 per cent.; in 1880 only 18 per cent.

Railway communication.

173. The United States possess a further advantage in facility of inland communication. The American railway system has been very rapidly extended during the last few years. No less than 105,000 miles of railway are now open. This rapid progress is due to the vigorous commercial enterprise of the people of America, and to the large amount of capital seeking investment in American undertakings. It is in this respect more than in any other that India presents a remarkable contrast. Local capital is either not available or seeks, generally speaking, for more profitable investments than Indian Railways afford. English capital has only recently begun to turn its attention to Indian Railways, and can as yet scarcely be persuaded to dispense with Government assistance. The development of the country has up to the present time mainly devolved on Government, and, as a necessary result of this state of things, progress has been relatively slow.

Railway rates in the United States;

174. In the matter of railway rates also American is at a great advantage as compared to Indian wheat. So far back as 1876 the rate from Chicago to New York, a distance of 960 miles, was on an average 17 cents a bushel, or £1-5-6 per ton for the whole distance. In 1878 and 1879, the published tariff rate was 20 cents per 100 lbs. (18*s.* 4*d.* per ton) for the whole distance, but under stress of competition wheat was carried from time to time in 1879 to New York at 18, 15, and even as low as 10 cents per 100 lbs., or 9*s.* 2*d.* per ton for the whole distance. Sir James Caird in his evidence before the Royal Agricultural Commission in December 1881, said that the rate had been reduced as low as ¼*d.* per ton per mile. This rate is equal to £1 per ton for the whole distance. The writer of an interesting pamphlet recently published in India* gives 14·5 cents a bushel as the latest rate he has seen quoted. This is equal to £1-1-9 per ton for the whole distance. In the official Report on the Foreign Commerce of the United States for the fiscal year ending June 30, 1882, by the Chief of the Bureau of Statistics, the following figures are given as the average through rates in 1881 from Chicago to New York:—

* *Indian Wheat versus American Protection; or, The influence on English Trade and American Protection of the Development of India.*

	Cents per bushel.	In sterling per ton.
By lake and canal	8·6	12*s.* 11*d.*
By lake and rail	10·4	15*s.* 7*d.*
By rail entirely:		
(1) During the season of navigation only	11·7	17*s.* 6*d.*
(2) During the year	14·4	21*s.* 7*d.*

175. The competition of water carriage has evidently a marked effect on rail rates in America. In India, although about 20 per cent. of the wheat brought to Calcutta is still brought down the river in boats, this traffic does not in the least regulate the railway rates.

176. I have been informed on good authority that wheat is now carried from St. Louis, down the Mississippi, all the way through to Liverpool, for 14 cents a bushel, which is equal to 4*s.* 7¼*d.* per quarter or £1-1-1½ per ton. Mr. Leyland, owner of the Leyland line of steamers trading between Boston and Liverpool, told the Royal Commission on Agriculture that the custom is to take the wheat at Chicago (about 1,500 miles from Boston) and deliver it at Liverpool at a through rate, including everything. This rate in 1881 averaged ·10*d.* a bushel of 60 lbs. or £1-11-1⅓ per ton, of which two-fifths went to the ship and three-fifths to the railway, the division being made by arrangement.

and in India.

177. Turning to India, we find that the rate charged in March 1883 by the East Indian Railway from Delhi to Howrah, a distance of 954 miles, is Rs. 71 per 100 maunds, which, at an exchange of 1*s.* 7½*d.*, is equal to £1-11-5 per ton.

178. From Lahore to Kurrachee, a distance of 821 miles, the rate is 12 annas 3 pie per maund, equal to £1-13-11¾ per ton for the whole distance.

179. From Delhi to Bombay, over the Rajputana Railway, a distance of 889 miles, the rate until very recently was 13 annas 6 pie per maund, equal to £1-17-5¼ per ton for the whole distance.

180. From Jubbulpore to Bombay, a distance of 616 miles, the rate is 10 annas 5 pie per maund, equal to £1-9-8½ per ton for the whole distance; that is to say, it costs considerably more to carry a ton of wheat 616 miles over the Great Indian Peninsula Railway, than it does to carry the same quantity 960 miles over the American line.

181. A comparison of rates from other stations would produce similar results. But it is unnecessary to go further. It is abundantly clear that the Indian are much higher than the American rates.

Management of the trade.

182. In the detailed management of the trade also America has the advantage over India. There is far less handling of the wheat between the field and the hold of the ship in the former than in the latter country. The wheat is brought from the field into store-houses, and thence shot in bulk into the wagons, which are either brought alongside the ship or to warehouses which lie close to the ship. In India, on the other hand, wheat is brought from the field to a central station, say Cawnpore, is there bought by one trader (perhaps the agent of the shipping firm, perhaps another intermediary) from another trader, who has bought it from the cultivator. It is stored and bagged, then carted to the railway station, unloaded, stacked at the station, and again unstacked to be loaded into the wagons. On arrival at the port of shipment it is unloaded, stored, perhaps bought and sold once more, then carted to the shore and put on board either from a jetty or from a boat.

Price of Indian wheat.

183. Indian wheat is quoted in the London market at a lower price than American or Australian wheat. The average comparative prices during the year 1882 were as follows:—

	Per Quarter.	
	s.	*d.*
American, best	48	9
Calcutta, Club No. 1	43	1
Australian, best	50	5

Mixture with dirt and other grains.

184. I am informed that the relatively low price of Indian wheat is not so much due to its quality, which is generally very good, but to its admixture with dirt and other inferior grains. At present shippers pay for the conveyance of about 5 per cent. of dirt to England.

185. The admixture of inferior grains with the wheat is, I believe, due to the fact that cultivators often grow other grains in the same field as wheat as a resource in the event of the failure of the wheat crop. This practice tends to keep down the price of Indian wheat.

Advantages of India over America.

186. Against this long list of disadvantages under which the Indian agriculturist labours as compared with his American competitor, must be balanced one advantage, which is very considerable. India enjoys free trade, whilst America labours under all the disadvantages of a Tariff designed to protect indigenous manufactures.

American protection.

187. The disadvantage under which America labours by reason of its protective Tariff is very great. The fiscal laws of the United States oblige the American agriculturist to sell in the cheapest and to buy in the dearest market. For all woollen,* cotton, linen and silk manufactures, for iron and steel, for leather, for earthenware and crockery, for tin plates and ware, for hemp and jute fabrics, and for window glass, the American agriculturist has to pay from 20 to 77 per cent. extra—the average being 43 per cent.,—as the cost of protecting indigenous manufactures. An able writer on economic subjects* has estimated that the agriculturists of the United States paid $400,000,000 (£82,192,000) a year as the cost of protection, and ten years ago it was stated on high authority (Mr. D. Wells) that the average purchasing power of labour in the United States had been depreciated to the extent of 19½ per cent. between 1860 and 1873.

* *The Western Farmer of America.* Mr. A. Mongredien.

Free trade in India.

188. India on the other hand labours, for the purposes of the present argument, under no artificial disadvantages imposed by fiscal legislation. The Indian producer of wheat is absolutely free to exchange his exportable produce to the best possible advantage with the products of foreign countries.

Importance of the subject.

189. I have dwelt at some length on this subject not only on account of its intrinsic importance, but because I shall be glad if I succeed in drawing the attention of those who have a more intimate practical acquaintance both with the trade and the conditions of Indian agriculture than any to which I can pretend, to the necessity of exertion with a view to strengthening by all possible means the position of Indian wheat in the English market. I have not discussed the question of the relative cost of production in India and in the United States, because, independently of the somewhat difficult economic issues involved in this question, it is very difficult to obtain facts of a sufficiently reliable nature to permit of any very accurate general conclusion being drawn from them. I may say, however, that there is reason to suppose that the prime cost of production in India is less than in the United States.

Reduction of Railway Rates.

190. It remains for me to state the measures which have been adopted by the Government with a view to facilitating the export of wheat to Europe. In the first place the through rate for wheat conveyed from Delhi or Agra to Bombay has, in communication with the Agent of the Bombay, Baroda and Central India Railway, been reduced from 13 annas 6 pie to 11 annas a maund, and for other grains and seeds of the same class to 11½ annas a maund. The reduction in the case of wheat will, therefore, be 18·5 per cent. on the present rates. It will, no doubt, be followed by a corresponding reduction on the East Indian line. For the future it will be possible to lay down wheat coming from about Delhi or Agra to Calcutta or Bombay at a price of Rs. 4-4-3, or, at an exchange of 1*s.* 7½*d.*, £0-6-11¼ per ton less than has heretofore been the case. To state the case in another way, the lowering of the rates is equivalent to a reduction in price of slightly over 1*s.* 6*d.* per quarter of wheat in the London market.

Minimum loads.

191. In the second place, the restriction as regards minimum loads has been abolished on the Rajputana and Bombay, Baroda and Central India Lines.

Facilities at Stations and Ports.

192. In a letter recently issued from the Public Works Department, giving effect to this decision, the following passage occurs:—

"In conclusion, I am to draw general attention to the fact that every expansion of the "export trade will bring to bear a heavier strain upon the facilities for handling, warehousing, "removing, and shipping produce at the Railway Stations and Ports. These facilities are "believed to be even now in many cases inadequate, and their improvement will, His

* The duty on Wool has within the last few weeks been reduced, and that on Cotton Goods and Metals has been increased.

"Excellency the Governor General in Council trusts, engage the serious attention of the "several local authorities at an early date."

I trust that this very important branch of the subject will receive the serious attention which it deserves.

Improved communications.

193. Turning to the question of improved communications, it is to be observed that during the last two years the Railway policy of the Government of India has been unsettled. I do not think that is any matter for surprise or for regret. In inaugurating a policy under which Railways were, to some extent at all events, to be constructed through the agency of private enterprise, it was almost inevitable that there should be a period of transition during which it would be exceedingly difficult to adhere to any fixed policy. It was easy to declare beforehand the broad aim which the Government sought to attain, namely, the construction of Railways through the agency of unaided private enterprise, but experience alone could show how far that aim was attainable. We have now had two years' experience of the private enterprise policy. During that time a certain number of facts have been accumulated, which, we think, are sufficient to enable us to lay down a definite policy, at all events for the immediate future, say, for five years. We have, therefore, very recently addressed the Secretary of State on the subject, but I am not as yet in a position to state what the final decision of the Government will be.

Progress in the construction of Railways.

194. In the meanwhile I may as well state very briefly what have been the main facts as regards Railway construction during the last two years. At the commencement of the year 1881-82 there were 9,619 miles of Railway open to traffic, and 646 miles under construction, making a grand total of work either completed or in hand of 10,265 miles. At the commencement of the year 1882-83 there were 9,961 miles of line open for traffic and 1,302 under construction, making a grand total of 11,263 miles either completed or in hand. During the year 1882-83, 290 miles were opened to traffic, and the commencement of 1,194 miles of new line was authorised. The present position, therefore, is that we have 10,251 miles of line open to traffic, and 2,332 miles either under construction or sanctioned for commencement in 1883-84. It is expected that 719 miles will be opened for public use during the year 1883-84, leaving 1,613 miles for completion in 1884-85 and subsequent years. Comparing, therefore, the commencement of the year 1881-82 with the commencement of 1883-84, it will be found that the amount of line either open or under construction has in two years been increased by 2,318 miles. An immense deal, of course, remains to be done, and I trust it may be possible in the future to push forward the construction of Railways at a more rapid pace than in the past. At the same time it may be held that the progress during the last two years has, on the whole, been fairly satisfactory.

VIII.—Budget Estimates, 1883-84.

Budget Estimates, 1883-84.

Opium.

195. I have already mentioned (para. 133) that the net Opium Revenue for 1882-83 is now estimated at £7,217,000. I pointed out on the occasion of the last Financial Statement (paras. 139 and 140) that during the four years 1878-79, 1879-80, 1880-81, and 1881-82, the annual sales of Bengal Opium had been in excess of the annual production, and, further, that these large sales had only been possible by reason of the exceptionally good crops of 1875-76 and 1876-77, which had enabled a very strong reserve to be constituted. I alluded to the fact that since 1878 the reserve had been steadily diminishing in quantity. I added—

"This process of depletion cannot continue indefinitely. An exceptionally good crop "may, indeed, again replenish the reserve. But we cannot rely on a fortuitous circum-

"stance of this sort. An average crop, or, at all events, a succession of average crops, "will oblige us to resort to one of two alternatives. We shall be forced either to in- "crease the production, or to diminish the amount offered for sale."

Notification of June 28th, 1882.

196. The final result of the Opium crop is known about the month of June or July. The outturn of "provision" Opium—that is to say, Opium for export to China—in 1881-82 was 54,039 chests. The number of chests offered for sale in 1881-82 was 56,400. It was, therefore, thought desirable to reduce the number of chests to be offered for sale in 1883-84. Accordingly, on June 28th, 1882, the year's notice required by custom was given to the effect that from August 1883 (inclusive), the number of chests offered for sale would be reduced from 4,700 to 4,450 a month—a reduction at the rate of 3,000 chests in the year. It follows that during the year 1883-84 there will be four monthly sales of 4,700 chests each, and eight monthly sales of 4,450 chests each. In all 54,400 chests will be offered for sale in 1883-84, being 2,000 chests less than in 1882-83.

Reduction of duty on Malwa Opium.

197. Turning to Malwa Opium, it will be remembered that on June 28th, 1882, the duty was reduced by Rs. 50 a chest.

198. It is under these circumstances that we have to consider the Opium Estimate for the coming year.

Opium Estimate for 1883-84.

199. It is to be remembered that a reduction in the number of chests of Bengal Opium offered for sale should, all other things being equal, enhance the price which is realised on the diminished number of chests which are sold. But the reduction in quantity during 1883-84 (2,000 chests) may not be sufficient to exercise any appreciable effect on prices. It would not, therefore, be prudent to rely on a rise of price.

200. Also it is to be remembered that a diminution in the export of Bengal Opium to China will probably lead to a corresponding increase in the export of Malwa Opium. But here again it would not be prudent to rely on any compensating action of this sort in framing the Estimate for the coming year.

Revenue.

201. After a full consideration of the details of the question it has, therefore, been decided to take the gross Opium Revenue for 1883-84 at £9,200,000, being £362,000 less than the figure shown in the Revised Estimates for 1882-83.

Expenditure.

202. I turn now to the question of Expenditure. The expenditure under this head depends almost entirely on the yield of the poppy crop in Bengal and the North-West Provinces. As I have already mentioned (para. 133), the expenditure during the current year has been, relatively speaking, somewhat high (£2,345,000), owing partly to the fact that the outturn of both the Patna and Benares Agencies was somewhat above the average of past years, and partly to the fact that 2,000 maunds of Malwa Opium were purchased during the year to be manufactured into Opium for sale in India, thus allowing the reserve of Bengal Opium, which has heretofore been exclusively supplied for sale in India, to be strengthened to a corresponding extent.

Crop of 1882-83.

203. The accounts received up to the present time as regards the crop in the Benares and Patna Agencies, especially in the latter, are unsatisfactory. The total outturn of the two Agencies is at present estimated at not more than 47,000 chests. Much reliance cannot, however, be placed on any estimate formed at this period of the season. All that can be said with certainty is that the total crop will be considerably below the average, and that the final results are more likely to prove worse than they are to prove better than present Estimate.

Estimate of Expenditure.

204. The bad consequences of a short poppy crop do not make themselves felt immediately. The immediate effect of a partial failure of the crop is to strengthen the financial position by diminishing Expenditure. The ultimate effect is, probably, to weaken the financial position by diminishing the Revenue. It is

probable that the Expenditure in 1883-84 will fall short of that in 1882-83 by £270,000, but, in framing the Estimates, it has not been thought prudent to rely on so large a reduction of Expenditure. The Expenditure has, therefore, been taken at £2,165,000, being £180,000 less than that shown in the Revised Estimate for 1882-83.

Net Revenue.

	£
Revenue	9,200,000
Expenditure	2,165,000
Net Revenue .	7,035,000

205. The net Opium Revenue has, therefore, been taken at £7,035,000, being £182,000 less than the Revised and £215,000 less than the Budget Estimate of 1882-83.

Number of chests for sale.

206. In recent years it has been the custom to give a full year's notice of any change which is contemplated in the number of chests of Bengal Opium offered for sale. The necessity of giving so long a notice is inconvenient from the point of view of the Government. It will also be possible to abridge the period without causing any inconvenience to the trade. But we are pledged not to make any change in the existing system without giving a full year's notice. The present system will, therefore, remain in force until the end of March 1884. For the future the following plan will be adopted: The yield of the Opium crop is always known accurately about the month of June or July. When it is known, the number of chests to be offered for sale during the next calendar year will be publicly notified. A formal notification giving effect to this change of system will issue immediately.

Summary of position.

207. It may be convenient to those who are interested in the Bengal Opium trade that I should summarise the main facts of the present situation. They are as follows:—

(1) 4,700 chests of Opium will be offered for sale each month from April to July 1883 (both months inclusive).

(2) 4,450 chests will be offered for sale each month from August 1883, to March 1884 (both months inclusive).

(3) For the future the system of giving a full year's notice of any change in the number of chests to be offered for sale will be abandoned. The quantity to be sold in one calendar year will be publicly notified about the month of June or July of the preceding year.

(4) It is the intention of Government to reduce the number of chests, which will be offered for sale in 1884-85, below the quantity fixed by the notification of June 28th, 1882 (4,450 chests a month), but I am unable at present to state the precise amount of the reduction. A notification giving this information will issue so soon as the final results of the present Opium season are known, that is to say, about the beginning of July 1883.

(5) It is at present estimated that the total outturn of the Patna and Benares Agencies for the current year will be not more than 47,000 chests of "provision" Opium, that is to say, Opium for export to China. But any estimate which can at present be framed must necessarily be very unreliable.

(6) The Opium reserve will, on December 31st, 1883, stand at 13,859 chests.

Exchange.

208. I now turn to the question of *Exchange*. There is at present every reason to suppose that there will be a considerable demand for money during the early months of 1883-84. The export of wheat will, not improbably, be stimulated by the reduction in the Railway rates to which I have already alluded (Part VII). Under these circumstances it is quite possible that a higher average rate for Bills may be realised in 1883-84 than has been realised in 1882-83 (1*s.* 7·52*d.*). On the other hand, the Secretary of State's drawings for 1883-84 are now estimated at £16,300,000 (true sterling), being £958,000 (true sterling) in excess of the Budget Estimate for 1882-83 £15,342,000 (true sterling). The future of silver is also uncertain. Under

these circumstances it would not be prudent to take a higher figure than 1*s.* 7½*d.* as the value of the Rupee. Taking the Rupee, therefore, at 1*s.* 7½*d.*, the Expenditure under *Exchange on Transactions with London* for 1883-84 is estimated at £ 3,548,000, being £ 773,000 in excess of the Budget, and £ 432,000 in excess of the Revised Estimates for 1882-83.

Other Estimates of Revenue.

209. The other Estimates have been cautiously framed. *Land Revenue* (net) is taken at £50,000, and *Forests* (net) at £76,000 less than in the Revised Estimates of 1882-83. *Excise* (net) is taken at a figure (£9,000) very slightly in excess of the Revised Estimate for the current year. *Customs* (net) are also taken very slightly (£3,000) in excess of the Revised Estimates, although owing to a reduction of establishment consequent on the abolition of the import duties, the expenditure will be £13,000 less than in 1882-83. *Salt* (net) is taken at £9,000 less than during the current year, an increase of expenditure to the extent of £47,000 being anticipated. This is a very low estimate and will probably be exceeded. *Stamps* (net) are taken at £34,000 more than the Revised Estimate, which allows for less than the normal growth of Revenue. The *Mint* receipts (net) are taken at £37,000 less than the Revised Estimate in order to allow for a probable diminution in the imports of silver, on which the receipts under this head mainly depend. *Railways* (*State*, *Guaranteed* and *East Indian*, net) have been taken at £209,000 over the Revised Estimates. The Estimate is a moderate one. *Railways* (*Ordinary*) have been taken at £40,000 less than the Revised Estimate.

Expenditure.

210. On the Expenditure side of the Account, full provision has been made for all wants that can now be foreseen. The extension of the Railway system necessitates heavy Expenditure under *Telegraphs*. An increase of £85,000 over the Revised Estimates for the current year is allowed under this head. Allowance is also made for increased Expenditure under *Scientific and other Minor Departments* (£44,000 net), *Law and Justice* (£91,000 net), Police (£78,000 net), *Education* (£61,000 net), *Medical* (£24,000 net), *Territorial and Political Pensions* (£55,000), *Miscellaneous* (£84,000 net), *Subsidized Railways* (£30,000), and *Southern Mahratta Railway* (£52,000).*

211. On the other hand, in respect to three large items, the Expenditure of 1883-84 will fall below that of 1882-83. There is a diminution of £188,000 under *Refunds and Drawbacks*. This is due to the cessation of the large remissions of Land Revenue in Bombay and to the fact that the refunds under *Customs* will be much less in 1883-84 than they were in 1882-83. The Expenditure on *Frontier Railways* has now nearly ceased, thus reducing the Expenditure by £214,000 as compared with the Revised Estimates of 1882-83. The Expenditure under *Irrigation and Navigation* (*Ordinary*) is taken at £116,000 less, and that on the *Productive* account at £23,000 more than the Revised Estimate. The reduction under *Irrigation and Navigation* (*Ordinary*) is principally in Provincial Expenditure and but slightly affects the Imperial Surplus or Deficit. Under this head also the charge of £50,000 for payment of interest to the Madras Irrigation and Canal Company, which is shown in the Budget Estimate of 1882-83, disappears now that the works of the Company have become the property of the Government. Under *Civil Buildings, Roads, and Services* there is a reduction of £119,000 below the Revised Estimate for 1882-83. *Marine* also shows a reduction of £30,000; *Stationery and Printing* of £32,000; *Political* of £69,000.

212. I append to this Statement (Appendix VI) a minute by my hon'ble colleague, General Wilson, which gives full explanations as regards the Military Expenditure of the year.

* See note to para. 146 of this Statement. It is to be borne in mind that in some cases the increase of Expenditure does not affect Imperial Finance, as the charges are Provincial.

Opium.

213. It will be remembered that when, in 1880-81, the net Revenue derived from Opium amounted to £8,451,000—the largest sum ever realised—and when, in spite of this fact, the net Revenue for 1881-82 was taken in the Budget Estimates at only £6,500,000, this latter Estimate was severely criticised, both in and out of Parliament, as being too low. At the time when the Estimate was framed, I freely admit that it was almost certain that the net Revenue for 1881-82 would amount to more than £6,500,000. As a matter of fact, it amounted to £7,805,000. Further, as a matter of technical finance, it may very fairly be said that it is not right to deliberately under-estimate any item of Revenue. But that was not the really important point of issue. It makes little practical difference whether the Estimates are framed on the basis of a surplus of £500,000 and on an estimated net Revenue from Opium of £6,500,000, or whether they are framed on the basis of a surplus of, say, £1,500,000, and a net Revenue from Opium of £7,500,000. The really important question to decide, in March 1882, was this,—to what extent was it safe to take off taxes in reliance on a higher net Revenue than £6,500,000 from Opium?

Connection between Opium and Salt.

214. In the Financial Statement of last year (para. 192) I gave the following answer to this question :—

"If we abandon a source of Revenue which involves a permanent and absolute loss "of money, and which, moreover, from whatsoever reason, it would be difficult, in the "event of the Opium Revenue failing, to restore to its former position, then the course "would be open to great objection. If, on the other hand, we reduce a duty with a fair "hope that the reduction will increase consumption, and thus, after a while, recoup us for "any loss, and if, moreover, the duty can, without any great fiscal disturbance, be re-im-"posed in the event of the Opium Revenue falling off, then the reduction of taxation "would be unobjectionable. The Salt Duty falls within the latter of these two categories.

"It has been decided, therefore, to estimate the net Opium Revenue in 1882-83 at "£ 7,250,000, and simultaneously to afford some substantial relief to the tax-payers in the "shape of a reduction of the Salt Duty. * * * * * If any unfore-"seen circumstance, such as a heavy fall in the value of silver, takes place, and if at the "same time the reduction of the Salt Duty does not result in any considerable increase "in the consumption of salt, it would be open to us to return temporarily to a higher rate "of duty."

Salt a fiscal reserve.

215. It will be seen, therefore, that the intention, under certain contingencies, of using the Salt Duty as a fiscal reserve was distinctly indicated.

216. The loss of Revenue involved in reducing the Salt Duty (£1,400,000 a year) has, as I have already mentioned (para. 111), been already recouped by increased consumption to the extent of £320,600, a result more satisfactory by £302,000 than that which was anticipated last March. But in view of the facts (1) that the net Opium Revenue of 1883-84 is taken at £215,000 less than that of 1882-83 (Budget Estimate); (2) that the Expenditure under *Exchange* is estimated at £773,000 more than in 1882-83 (Budget Estimate); and (3) that, as is pointed out by General Wilson (see his Minute in Appendix VI), the savings in Military Expenditure in India have been to a great extent swallowed up by an increase of £100,000 (true sterling) on account of non-effective charges in England,—it would have been no matter for surprise if the Government had been obliged to resort to an enhancement of the rate of duty on Salt in order to balance the Revenue and Expenditure of the year 1883-84.

No increase of taxation necessary.

217. We are, however, fortunately under no such necessity. Not only are we able to balance our Revenue and Expenditure, but we are able, without any increase of taxation and without in any way starving the public services or checking the progress of Public Works of utility, to provide an adequate surplus in order to meet any of the numerous unforeseen contingencies which so frequently arise in India.

Budget Estimates, 1883-84.

218. The Budget Estimates for the year 1883-84 are as follows—

	£
Revenue	67,274,000
Expenditure	66,817,000
Surplus	457,000

Reasons of Surplus.

219. This satisfactory result is due (1) to the fact that the Indian Revenue is more elastic than is very generally supposed; (2) to the fact, to which I have already alluded (para. 145), *viz.*, that, in view of the large fiscal reforms undertaken last year, it was thought desirable to frame the Estimate of every item of Revenue and Expenditure with even more than usual caution; and (3) to the fact that, in carrying out those reforms, we were aware that the heavy charge for *Frontier Railways*, for which provision was made in 1882-83, would be greatly diminished in 1883-84 (see para. 249 of the Financial Statement for 1882-83). Allowing for an additional grant of £60,000 made during the year, the estimated Expenditure on these Railways is £282,000 in 1882-83. In 1883-84 it will only be £68,000.

Postponement of further fiscal reforms.

220. On the other hand, the high Expenditure under *Exchange* and the diminution of the Opium Revenue have rendered it necessary to postpone the execution of those further fiscal reforms which, under more favourable conditions in respect to these two important points, might otherwise have been feasible. We have not thought it desirable to adhere, on grounds of financial necessity, to the high rates hitherto charged on the Rajputana-Malwa Railway for the conveyance of food-grains. We are fortunately in a position to give effect to a very salutary measure of reform in reducing those rates. But the consideration of any further measures of fiscal reform must be postponed. Last year a favourable opportunity presented itself for the execution of some very large and beneficial improvements in the fiscal system. This year the state of the case is different. The financial position is perfectly sound, but the situation is one in which great caution is required. We have to look, not only to the circumstances of the immediate moment, but also to the contingencies which may arise in future years.

Famine.

221. Against one, and perhaps the most serious, of these contingencies—I mean famine—we are insured to the extent of £1,500,000 a year.

Exchange.

222. As regards the possibility of any further fall in the value of silver, all that can be said is that financial equilibrium has been more than secured on the basis of an estimated value to the rupee (1*s.* 7½*d*), which cannot be considered as erring on the side of optimism.

Opium.

223. Opium constitutes the chief danger of the immediate future. I have for a long time past been inclined to take a somewhat desponding view of the future of the Opium Revenue, and recent events have confirmed the views which I had heretofore held. Considering (1) that the crop is singularly precarious, (2) that the indigenous drug of China is daily becoming a more serious competitor to Indian Opium, and (3) that the Indian Revenue depends in no slight degree on the domestic legislation of a foreign country (China),—it can scarcely, in my opinion, be doubted that the yearly Revenue which India derives from Opium will, in all probability, show a tendency to fall off in the future. For reasons which I have already stated (paras. 203-204), it is almost certain that, although the Opium Estimate of 1883-84 has been taken at £215,000 below the Budget and at £182,000 below the Revised Estimate for 1882-83, the Estimate for 1884-85 will have to be taken at a still lower figure.

224. I will not venture to predict what may be the financial situation at the commencement of the year 1884-85. All that can now be said on this subject is that we commence the year 1883-84 with a surplus of £457,000 in hand; that the Estimates for 1883-84 have been very cautiously framed; that the material prosperity of the country is increasing, and, unless famine should intervene, will continue to increase, with the result that the Revenue from *Excise*, *Salt*, *Stamps*, *Railways*, *&c.*, is steadily growing; and, lastly, that by the reduction of the Salt Duty, the financial position has been much strengthened, and a fiscal reserve constituted which, should the occasion unfortunately arise, can be used in case of necessity. So long as the value of the rupee and the Opium Revenue continue liable to such fluctuations as those which we have recently witnessed, the financial situation of India must always contain some special elements of instability; but I see no reasons for taking any desponding view of that situation at present. On the contrary, there is every reason to believe that the country will be well able to cope with whatever financial difficulties the future may have in store. *Financial situation, 1884-85.*

IX.—The License Tax.

225. In making the Financial Statement last March, I summed up the attitude of the Government in respect to the License Tax in the following words (para. 251):— **The License Tax.**

"We recognise the evils of the present tax. We recognise that in its present form "it cannot be incorporated into the permanent fiscal system of the country. Beyond this "we do not at present go. We reserve to ourselves complete liberty of action in the "future, either to propose the abolition of the License Tax, to recast it, or even, should "such a course appear desirable when the financial arrangements for the year 1883-84 "come under consideration, to allow it to continue in existence in its present form for a "while longer."

226. I quote these words now in order to show that the hands of the Government are perfectly free in dealing with this question. We have recognised that the tax is objectionable, and that it cannot in its present form be incorporated into the permanent fiscal system of the country. But beyond this we have given no pledges whatever, whether in respect to the nature of the changes which will eventually be made in the existing laws regulating this subject, or in respect to the time when they shall be made. *Situation of the Government.*

227. In the Financial Statement last year (para. 245) I alluded to the defects in the existing system under which the License Tax is levied. I need not, therefore, repeat what I then said. I will only say that, after full consideration, the Government has decided not to propose any change in the existing system for the present. *No present change.*

228. Nothing can be more undesirable in India than to introduce frequent changes in the fiscal system. The evils arising from the present system under which the License Tax is levied are emphatically such as it would be preferable to endure, rather than to remedy, unless some remedy can be applied with a reasonable confidence that no further change will in the immediate future be necessary. There are, moreover, some special considerations which point to the desirability of making no changes in the fiscal system at present. The financial year which is about to close has presented features which are altogether abnormal, and, even if this had not been the case, the experience of a year is not sufficient to enable any very correct judgment to be formed as to the ultimate effect of the large fiscal reforms which were carried out in March

1882. The future of Silver and of Opium is also very uncertain. On every ground, therefore, the present moment is a time when great caution should be exercised. Under these circumstances the Government, after full consideration, is of opinion that the wisest course to adopt will be to make no changes in the existing fiscal system, but to allow more time to elapse with a view to watching the effect of those reforms which have been already effected.

Government reserves its freedom of action.

229. It will, of course, be clearly understood that, in dealing with the License Tax, the Government reserves to itself complete liberty of action in the future, and that I can give no definite pledge as to the course which will be eventually pursued.

X.—Stock Notes and Post Office Savings Banks.

Stock Notes and Post Office Savings Banks.

230. It will be remembered that about a year ago two schemes were introduced with a view to affording safe investments to the poorer classes. The first was the issue of Stock Notes. The second the establishment of Post Office Savings Banks.

Stock Notes.

231. Projects analogous to that of the Stock Note scheme had frequently been discussed in previous years, and various opinions, both official and unofficial, had been expressed on the subject. It was thought that the experiment was worth trying. In one District of the Central Provinces, in a portion of the North-West Provinces and Oudh, and in the whole of the Punjab, the right of selling Stock Notes was in the first instance temporarily reserved to monopolists. In the remaining provinces sales were effected only through the Civil Treasuries. More recently, in addition to the Civil Treasuries, the agency of the Post Office has been employed in the sale of the Notes. The result has been that Stock Notes to the value of £162,900 have been sold during the year. It is no matter for surprise that sales to a larger amount should not have been effected. The idea was a novel one, and it was not to be expected that, in a country like India, it would readily take root. Although more than 20 years have elapsed since Currency Notes were introduced into India, a very large part of the population still fails to appreciate their utility. Moreover, although the original plan was very carefully elaborated, experience alone could show whether all the details of the scheme were suitable to the circumstances of the country. Shortly after the issue of the Notes, many useful criticisms were made in connection with the scheme. It was, however, not thought desirable to effect any immediate changes in the plan which was originally adopted. A year has now nearly elapsed since the first issue of the Notes. The various suggestions and criticisms which have been made will, therefore, shortly be considered with a view to deciding whether any modifications in the details of the existing scheme are necessary or desirable.

232. Prolonged experience can alone show whether the scheme will ultimately take root in the country. In the meanwhile all that can be said is that it is worth while to continue the experiment.

Post Office Savings Banks.

233. Post Office Savings Banks were opened over a portion of India on April 1st, 1882. Owing to the vested rights of the Bank of Bombay, it was not possible to introduce the scheme in the Bombay Presidency, and in the Madras Presidency it was only introduced in the rural districts, to the exclusion of the large towns. Nor was the scheme introduced in the Presidency town of Calcutta. Arrangements have now been made with the Bank of Bengal and with the Bank of Bombay, which will allow of the introduction of the scheme into Calcutta and into the Bombay Presidency.

234. The results attained over the limited area in which Post Office Savings Banks have been opened are as follows. In the nine months ending December

31st, 1882, 31,698 accounts were opened, of which 2,928 were by Europeans and Eurasians and 28,770 by Natives of India. The balance in deposit on December 31st was £207,876.* It is worthy of observation that 91 per cent. of the depositors were Natives and only 9 per cent. Europeans and Eurasians. In the case of District and Presidency Savings Banks the proportion, taking the figures of the year 1881-82, was 62 per cent. of Native, and 38 per cent. of European and Eurasian depositors.

235. It is satisfactory to note that the establishment of Post Office Savings Banks has not led to any diminution in the deposits heretofore made in the District and Presidency Banks. The net operations of those Banks during the nine months ending with December 31st, 1882, show an increase of the balance in deposit of £60,500 over the balance on April 1st, 1882.

236. If we add together the amount of Stock Notes issued during the first nine months of the current financial year and the amount deposited in the Savings Banks, we arrive at a total of £431,300. From the point of view of comparison with some European countries, this amount is no doubt small in proportion to the population. But I do not think that any one acquainted with the condition of society in India would have expected more rapid progress.

	£
Stock Notes	162,900
Post Office Saving Banks	207,900
District and Presidency Saving Banks	60,500
TOTAL	431,300

XI.—Ways and Means.

Ways and Means.

237. In the Financial Statement of last year (para. 267) I stated that if no loan for Productive Public Works were raised during the year, the balance on March 31st, 1883, would probably be £10,848,000.

Drawings of 1882-83.

238. This estimate was based on the assumption that the Secretary of State would draw Bills to the extent of £15,342,000 (true sterling) on the Indian Treasury in the course of the year 1882-83.

239. I have already explained (para. 142) that, on the one hand, the Secretary of State's drawings were diminished by £1,300,000 (true sterling), owing to the large drawings in March 1882, and owing to the transactions connected with the Southern Mahratta Railway Company, and that, on the other hand, it is proposed to draw an additional £1,000,000 (true sterling), in order to reduce sterling debt in England. Thus the total amount of Secretary of State's drawings during the year 1882-83 will, it is estimated, be £15,042,000 (true sterling).

240. The balances have been increased during the year by the excess of revenue over expenditure beyond the amount for which credit was taken in the Budget, and also by a loan of £2,500,000 (nominal) which, as it was taken up at an average price of Rs. 98-14·7, yielded £2,472,979.

241. On the other hand, the balances have been diminished by the abnormal expenditure on account of the Egyptian expedition amounting, in India, to £1,179,200 and by the high expenditure under *Exchange* due to the fall in the value of the rupee.

Balance on March, 31st, 1883.

242. The net result of all these operations is that the balance on March 31st, 1883, is now estimated at £13,840,000.

Ways and Means, 1883-84.

243. I now turn to the question of the Ways and Means for the year 1883-84.

* On March 3rd, 1883, the balance in deposit in the Post Office Savings Banks amounted to £248,000. Information as regards the classification of depositors is not at present available for any date later than December 31st, 1882.

Publicity as regards Loan operations.

244. Complaints are occasionally made in India on the ground that the Government does not keep the public sufficiently informed in respect to its intentions in the matter of loan operations. I beg to assure those who are interested in this subject that the Government is fully alive to the desirability on every ground of announcing its intentions on this subject at as early a date as possible. We have no wish whatever to keep the public in suspense in this matter a day longer than is necessary. On the other hand, I must again draw attention to the remarks I made on the occasion of the last Financial Statement (para. 271). The operations of the Government of India are so large and varied, and so many unforeseen circumstances are liable to arise during the year, that to estimate in advance the cash requirements of the Government for twelve months must always be a matter of very great difficulty. Indeed, I may go further and say that, even under normal circumstances, it is quite impossible for the best-informed person to say how far the Estimates of the Revenue and Expenditure of the year are likely to be realised until about the end of the month of September, by which time it may be said that the general result of the harvest, which depends mainly on the south-west monsoon, can be stated with some sort of accuracy. I conceive that nothing would be more calculated to exercise a disturbing influence on the market than that any premature announcement should be made of the intentions of the Government, and that subsequently there should be a change in those intentions. I may add that the uncertainty in connection with the probable cost of the Egyptian Expedition, which, of course, depended largely on the course of events in Egypt, rendered any early announcement of the final intentions of the Government last year especially difficult.

Statements published in the Gazette.

245. In connection with this subject I should wish to draw attention to the Statements published in the *Gazette of India* about the 10th of each month, and which give, under a few main heads, the latest information in the possession of the Government as to the Revenue and Expenditure up to the last day of the month immediately preceding. An examination of those Statements will give an approximate idea of the extent to which, as the year goes on, the Estimates of Revenue and Expenditure are being realised. It is possible that the form in which these Statements are published might be improved. So far as I am aware they have not up to the present time attracted much attention, but if the result of these remarks should be to attract greater attention to them in the future, and if it be found that, in its present form, the monthly Statement is not readily comprehensible, the possibility of improving the form will be considered.

Loan in 1883-84.

246. It will be necessary to raise the usual loan for Productive Public Works in the course of the year. The present intention of the Government is to borrow £2,500,000 in India. The rate of interest will, as usual, be 4 per cent. Full particulars as regards the date on which tenders will be accepted, &c., &c., will be issued on or about July 16th.

247. In dealing with the amount of the Secretary of State's drawings (para. 208) and with the loan operations, which are contemplated during 1883-84 (para. 246) I speak subject to the usual reserve, that is to say, that the announcements I now make—

"are subject to modification as the year goes on; the Government must not be understood to pledge itself that the Secretary of State will raise by Bills the exact amount stated; or that the amount stated will be borrowed during the year; or that it will be borrowed in India or England, as the case may be."

248. Whilst making this reserve, I may add that it is absolutely certain that the loan of £2,500,000, to which I have already alluded, will be contracted.

The only possible modification is, that in the event of any unforeseen contingency arising, such as war or famine, it might be necessary to borrow more. I have at present no reason whatever to believe that it will be necessary to borrow more than £2,500,000. But it must be clearly understood that the Government reserves complete liberty of action to itself in the event of any contingency arising which cannot now be foreseen.

Balance on March 31st, 1884.

249. The balance on March 31st, 1884, is estimated at £11,697,000, but this is a very low Estimate and, unless anything unforeseen occurs, it will probably be exceeded.

XII.—Conclusion.

Summary of Financial Statement

250. It may be convenient that I should summarize the main features of the present Financial Statement. They are as follows:—

Forms of Account.

(1) The forms in which the Accounts and Estimates are now presented to the public have been revised and simplified (paras. 7—66).

Accounts of 1881-82.

(2) The Accounts of 1881-82 show a surplus of £2,582,727 (paras. 67—71).

Trade of 1882-83.

(3) The volume of the import trade in those articles relieved from duty in March 1882 has in the ten months, from April 1st, 1882, to January 31st, 1883, increased by about 7¼ per cent. (paras. 72—94).

Price of Salt.

(4) There has been a general fall in the retail price of Salt since the duty was reduced. The amount of the fall in the different provinces ranges generally from about 13 to 23 per cent. (paras. 95—100).

Consumption of Salt.

(5) The consumption of Salt since the reduction of the duty has increased by about 6½ per cent., representing a revenue of about £320,000 (paras. 95—116).

Egyptian Expedition.

(6) The net cost of the Egyptian Expedition during the year 1882-83, after deducting the £500,000 (true sterling) contributed by the English Government, is estimated at £797,000 (para. 131).

Opium, 1882-83.

(7) The net Opium Revenue of 1882-83 is now estimated at £7,217,000, being £33,000 less than the Budget Estimate (para. 133).

Exchange, 1882-83.

(8) The Expenditure under *Exchange* during 1882-83 is now estimated at £341,000 in excess of the Budget Estimate (para. 142).

Reduction of Debt.

(9) A sum of £1,000,000 (true sterling) will be remitted home during the year 1882-83 and will be applied to the reduction of Sterling debt in England (para. 139).

Surplus, 1882-83.

(10) The Revised Estimates for 1882-83 show a surplus of £60,000 (para. 144).

Railway rates.

(11) With a view to stimulating the export trade, the through railway rates on wheat and other grains and seeds from Delhi and Agra and Bombay have been reduced by 18½ per cent., equivalent, so far as wheat is concerned, to a reduction of 1s. 6*d*. per quarter in the London market. This step will no doubt be followed by corresponding reduction of rates on the East Indian Line (paras. 153—194).

License Tax.

(12) No further fiscal changes are proposed in connection with the financial arrangements of the year 1883-84. The License Tax remains unchanged (paras. 225—229).

Opium, 1883-84.

(13) The net Opium Revenue for 1883-84 has been taken at £7,035,000, being £215,000 less than the Budget Estimate of 1882-83 (para. 205).

Bengal Opium.

(14) The amount of Bengal Opium which will be offered for sale up to the end of March 1884 will be regulated by the terms of the Notification of June 28th, 1882. The amount which will be offered for sale from April to December 1884, both months inclusive, will be notified about the beginning of July 1883 (paras. 206—207).

Exchange, 1883-84. (15) In the Estimates for 1883-84 the value of the rupee has been taken at 1*s.* 7½*d.*, and the Expenditure under *Exchange* at £773,000 in excess of the Budget Estimate for 1882-83 (para. 208).

Surplus, 1883-84. (16) The Budget Estimates for 1883-84, which have been very cautiously framed, show a surplus of £457,000 (para. 218).

Drawings, 1882-83. (17) The Secretary of State's drawings during 1882-83 are now estimated at £15,042,000 (true sterling) (paras. 142 and 239), of which £14,184,000 (true sterling) had been drawn up to March 9th, 1883.

Drawings, 1883-84. (18) The Secretary of State's drawings during 1883-84 are estimated at £16,300,000 (true sterling) (see para. 208).

Loan of 1883-84. (19) The usual loan for Productive Public Works will be contracted in India during the year 1883-84. The amount, unless any unforeseen contingency should arise, will be £2,500,000. The rate of interest will be 4 per cent. Further particulars in connection with the loan will be issued on or about July 16th, 1883 (paras. 246—248).

Cash Balance, March 31st, 1883. (20) The cash balance on March 31st, 1883, is estimated at £13,840,000 (para. 242).

Cash Balance, March 31st, 1884. (21) The cash balance on March 31st, 1884, is estimated at £11,697,000 (para. 249), but this is a very moderate Estimate, and it will probably be exceeded.

Opium prospects, 1884-85. (22) The accounts of the Opium crop in Bengal and North-West Provinces are unsatisfactory, and it is probable that in 1884-85 the Opium Estimate will have to be taken at a lower figure than that shown in the Budget Estimates for 1883-84 (para. 223).

E. BARING.

Calcutta, March 15, 1883.

APPENDIX I.

ACCOUNTS AND ESTIMATES.

(NEW CLASSIFICATION.)

Accounts . . .	1881-82.
Revised Estimates . .	1882-83.
Budget Estimates . .	1883-84.

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„ C.—	„	Details of Receipts and Disbursements other than Revenue and Expenditure		60—63
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General Statement of

RECEIPTS.	For details *vide* Abstract.	ACCOUNTS, 1881-82.	BUDGET ESTIMATE, 1882-83.	REVISED ESTIMATE, 1882-83.	BUDGET ESTIMATE, 1883-84.
Revenue—		£	£	£	£
Principal Heads of Revenue—					
Land Revenue	...	21,948,022	21,487,000	21,700,400	21,792,700
Opium	...	9,862,444	9,500,000	9,561,800	9,200,000
Salt	...	7,375,620	6,049,000	6,128,700	6,167,000
Stamps	...	3,381,372	3,342,000	3,411,600	3,427,200
Excise	...	3,427,274	3,331,000	3,615,900	3,623,300
Other Heads	A	7,659,729	6,162,000	6,376,500	6,383,900
TOTAL PRINCIPAL HEADS	A	53,654,461	49,871,000	50,794,900	50,594,100
Post Office, Telegraph, and Mint	,,	1,489,699	1,637,000	1,652,800	1,670,000
Receipts by Civil Departments	,,	1,513,083	1,374,000	1,434,200	1,402,300
Miscellaneous	,,	1,707,226	1,286,000	1,365,000	1,269,500
Revenue from Productive Public Works	,,	10,782,063	10,423,000	10,369,500	10,607,600
Receipts on account of Public Works not classed as Productive	,,	727,799	619,000	771,500	864,700
Receipts by Military Departments	,,	3,821,475	868,000	1,526,000	865,800
TOTAL REVENUE	...	73,695,806	66,078,000	67,913,900	67,274,000
Debt, Deposits and Advances—					
Permanent Debt (net Incurred)	C	...	...	2,468,600	2,060,000
Unfunded Debt (net Incurred)	,,	335,853	14,000	707,200	594,400
Deposits and Advances (net)	,,	...	...	262,500	...
Loans to Municipalities, Native States, &c. (net Recoveries)	,,	195,183	85,000	105,200	54,800
Capital of Guaranteed and Subsidized Companies (net Receipts)	,,	...	...	1,092,000	...
Remittances (net)	,,	877,478	...	308,400	...
Secretary of State's Bills drawn	,,	18,412,429	15,342,000	15,042,000	16,300,000
TOTAL RECEIPTS	...	93,516,749	81,519,000	87,899,800	86,283,200
Balance on April 1st—England	...	4,127,749	3,051,349	2,620,909	3,037,109
India	...	13,371,101	14,199,651	14,522,913	13,840,013
GRAND TOTAL	...	111,015,599	98,770,000	105,043,622	103,160,322

FORT WILLIAM;
DEPT. OF FINANCE AND COMMERCE.
The 15th March 1883.

E. W. KELLNER,
Deputy Comptroller Gene

Accounts and Estimates.

R10=£1.

DISBURSEMENTS.	For details *vide* Abstract.	ACCOUNTS, 1881-82.	BUDGET ESTIMATE, 1882-83.	REVISED ESTIMATE, 1882-83.	BUDGET ESTIMATE, 1883-84.
		£	£	£	£
Expenditure—					
Interest	B	4,558,100	4,376,000	4,450,700	4,264,000
Direct demands on the Revenues	,,	8,220,111	9,003,079	8,735,500	8,634,300
Post Office, Telegraph, and Mint	,,	1,771,662	1,918,000	1,932,200	2,039,800
Salaries and Expenses of Civil Depts.	,,	11,038,504	11,084,000	11,000,900	11,153,600
Miscellaneous Civil Charges	,,	4,044,532	3,761,921	3,905,100	3,968,100
Famine Relief and Insurance	,,	1,500,000	1,500,000	1,500,000	1,500,000
Expenditure on Productive Public Works (Revenue Account)	,,	9,649,005	10,027,000	9,916,900	10,088,400
Expenditure on Public Works not classed as Productive	,,	6,393,531	7,210,000	7,313,300	7,056,100
Army Services	,,	18,861,142	16,128,000	17,509,300	16,064,000
Exchange on Transactions with London	,,	3,556,700	2,775,000	3,115,600	3,548,000
TOTAL	...	69,593,287	67,783,000	69,379,500	68,316,300
Add—Provincial Surpluses, that is, Allotments to Provincial Governments, unspent by them	End of B	1,521,019	....	18,300	14,700
Deduct—Provincial Deficits, that is, Portion of Provincial Expenditure defrayed from Provincial balances	,,	—1,227	—1,990,000	—1,543,700	—1,514,000
TOTAL EXPENDITURE CHARGED AGAINST REVENUE	...	71,113,079	65,793,000	67,854,100	66,817,000
Expenditure on Productive Public Works (Capital Account)	End of B	3,311,423	3,250,000	4,844,400	3,820,100
Debt, Deposits and Advances—					
Permanent Debt (net Discharged)	C	466,895	688,000	...	...
Unfunded Debt (net Discharged)	,,	...	...	...	...
Deposits and Advances (net)	,,	140,969	150,000	...	585,200
Loans to Municipalities and Native States, &c. (net Advanced)	,,	...	...	...	
Capital of Guaranteed and Subsidized Companies (net Withdrawals)	,,	502,414	542,000	...	1,236,700
Remittances (net)	,,	...	10,000	...	391,000
Secretary of State's Bills paid	...	18,336,997	15,342,000	15,468,000	16,300,000
TOTAL DISBURSEMENTS	...	93,871,777	85,775,000	88,166,500	89,150,000
Balance on March 31st—England	...	2,620,909	2,146,649	3,037,109	2,313,609
India	...	14,522,913	10,848,351	13,840,013	11,696,713
GRAND TOTAL	...	111,015,599	98,770,000	105,043,622	103,160,322
Revenue		73,695,806	66,078,000	67,913,900	67,274,000
Expenditure chargeable thereon		71,113,079	65,793,000	67,854,100	66,817,000
Surplus + or Deficit —		+2,582,727	+285,000	+59,800	+457,000

J. WESTLAND,
Comptroller General.

D. BARBOUR,
Secretary to the Government of India.

Abstract A.—*Details*

The figures in thick type are those

	ACCOUNTS, 1881-82.			
	Imperial.		Provincial and Local.	Total.
	England.	India.	India.	
	£	£	£	£
Principal Heads of Revenue—				
I.—Land Revenue	...	15,313,251	6,634,771	21,948,022
II.—Opium	...	9,862,444	...	9,862,444
III.—Salt	...	7,350,727	24,893	7,375,620
IV.—Stamps	...	576,252	2,805,120	3,381,372
V.—Excise	...	675,701	2,751,573	3,427,274
VI.—Provincial Rates	...	178,718	2,716,772	2,895,490
VII.—Customs	...	2,106,434	254,954	2,361,388
VIII.—Assessed Taxes	...	382,986	153,843	536,829
IX.—Forest	2,236	804,984	67,215	874,435
X.—Registration	...	853	283,861	284,714
XI.—Tributes from Native States	...	706,873	...	706,873
TOTAL	2,236	37,959,223	15,693,002	**53,654,461**
Post Office, Telegraph, and Mint—				
XII.—Post Office	...	945,326	4,581	949,907
XIII.—Telegraph	51,787	417,421	...	469,208
XIV.—Mint	28	70,556	...	70,584
TOTAL	51,815	1,433,303	4,581	**1,489,699**
Receipts by Civil Departments—				
XV.—Law and Justice	...	85,638	591,816	677,454
XVI.—Police	...	5,699	242,306	248,005
XVII.—Marine	13	106,764	131,099	237,876
XVIII.—Education	...	1,086	188,206	189,292
XIX.—Medical	3,998	5	35,504	39,507
XX.—Scientific, and other Minor Departments	44,480	18,370	58,099	120,949
TOTAL	48,491	217,562	1,247,030	**1,513,083**
Miscellaneous—				
XXI.—Interest	56,470	808,237	32,197	896,904
XXII.—Receipts in aid of superannuations, &c.	105,973	232,688	17,612	356,273
XXIII.—Stationery and Printing	12	11,733	46,066	57,811
XXIV.—Miscellaneous	15,471	73,795	306,972	396,238
TOTAL	177,926	1,126,453	402,847	**1,707,226**
Revenue from Productive Public Works—				
XXV.—State Railways (Gross Earnings)	...	1,981,836	574,706	2,556,542
XXVI.—Guarantd. & Subsidized Rys. (net Traffic Receipts)	...	3,615,479	...	3,615,479
XXVII.—East Indian Railway (net Traffic Receipts)	230	3,261,627	...	3,261,857*a*
XXVIII.—Irrigation and Navigation (direct Receipts)	171	321,743	543,885	865,799
XXIX.—Madras Irrign. & Canal Co. (net Traffic Receipts)	...	— 8,834	...	— 8,834
XXX.—Portion of Land Revenue due to Irrigation	...	491,220	...	491,220
TOTAL	401	9,663,071	1,118,591	**10,782,063**
Receipts on account of Public Works not classed as productive—				
XXXI.—State Railways	...	...	...	...
XXXII.—Subsidized Railways	2,290	...	...	2,290
XXXIII.—Irrigation and Navigation	...	29,216	102,023	131,239
XXXIV.—Military Works	...	48,474	1,824	50,298
XXXV.—Civil Buildings, Roads, and Services	13,636	23,281	507,055	543,972
TOTAL	15,926	100,971	610,902	**727,799**
Receipts by Military Departments—				
XXXVI.—Army	68,263	1,093,444	...	1,161,707
XXXVII.—Military operations in Afghanistan	2,305,000*b*	354,768	...	2,659,768
XXXVII.—Military operations in Egypt	...	...	...	...
TOTAL	2,373,263	1,448,212	...	**3,821,475**
	2,670,058	51,948,795		
Total Revenues	54,618,853		19,076,953	**73,695,806**

(*a*) Includes £146 appertaining to the accounts of East Indian Railway as a Guaranteed undertaking.

FORT WILLIAM;
DEPT. OF FINANCE AND COMMERCE

E. W. KELLNER,

of Revenue.

which appear in the General Account.

R10 = £1.

REVISED ESTIMATE, 1882-83.				BUDGET ESTIMATE, 1883-84.			
Imperial.		Provincial and Local.	Total.	Imperial.		Provincial and Local.	Total.
England.	India.	India.		England.	India.	India.	
£	£	£	£	£	£	£	£
...	13,733,600	7,966,800	21,700,400	...	13,514,500	8,278,200	21,792,700
...	9,561,800	...	9,561,800	...	9,200,000	...	9,200,000
...	6,097,600	31,100	6,128,700	...	6,136,500	30,500	6,167,000
...	1,721,800	1,689,800	3,411,600	...	1,729,600	1,697,600	3,427,200
...	1,822,700	1,793,200	3,615,900	...	1,826,300	1,797,000	3,623,300
...	500	2,667,900	2,668,400	...	500	2,687,700	2,688,200
...	1,065,500	199,800	1,265,300	...	1,061,800	193,300	1,255,100
...	262,900	263,000	525,900	...	261,700	261,700	523,400
2,800	423,200	495,600	921,600	2,500	426,800	506,500	935,800
...	143,100	142,300	285,400	...	140,600	139,800	280,400
...	709,900	...	709,900	...	701,000	...	701,000
2,800	35,542,600	15,249,500	**50,794,900**	2,500	34,999,300	15,592,300	**50,594,100**
...	974,400	5,200	979,600	...	1,006,000	4,900	1,010,900
74,900	445,800	300	521,000	43,000	514,000	100	557,100
...	152,200	...	152,200	...	102,000	...	102,000
74,900	1,572,400	5,500	**1,652,800**	43,000	1,622,000	5,000	**1,670,000**
...	54,500	607,500	662,000	...	39,200	605,800	645,000
...	5,700	221,500	227,200	...	200	226,000	226,200
...	99,900	111,700	211,600	...	89,000	118,100	207,100
...	1,200	198,600	199,800	...	900	204,000	204,900
2,000	100	46,400	48,500	2,000	100	46,500	48,600
2,800	16,500	65,800	85,100	500	17,200	52,800	70,500
4,800	177,900	1,251,500	**1,434,200**	2,500	146,600	1,253,200	**1,402,300**
23,800	633,900	30,300	688,000	5,000	615,600	30,400	651,000
101,800	164,300	27,200	293,300	99,700	168,400	25,100	293,200
...	10,000	47,600	57,600	...	7,000	50,200	57,200
25,000	44,000	257,100	326,100	8,000	38,700	221,400	268,100
150,600	852,200	362,200	**1,365,000**	112,700	829,700	327,100	**1,269,500**
...	1,922,000	661,000	2,583,000	...	1,984,000	746,500	2,730,500
...	3,530,000	...	3,530,000	...	3,539,000	...	3,539,000
200	2,845,000	...	2,845,200	200	2,907,000	...	2,907,200
1,400	255,800	627,500	884,700	...	273,200	612,200	885,400
...	—5,400	...	— 5,400	...	...	...	...
...	532,000	...	532,000	...	545,500	...	545,500
1,600	9,079,400	1,288,500	**10,369,500**	200	9,248,700	1,358,700	**10,607,600**
...	108,200	14,900	123,100	...	157,400	34,500	191,900
3,700	...	...	3,700	1,000	10,000	...	11,000
...	28,500	103,400	131,900	...	31,000	110,300	141,300
...	42,100	...	42,100	...	39,200	...	39,200
14,100	6,700	449,900	470,700	17,400	7,300	456,600	481,300
17,800	185,500	568,200	**771,500**	18,400	244,900	601,400	**864,700**
73,000	913,000	...	986,000	41,000	824,800	...	865,800
...	...	...	...	...	...	...	...
500,000*c*	40,000	...	540,000	...	...	...	...
573,000	953,000	...	**1,526,000**	41,000	824,800	...	**865,800**
825,500	48,363,000			220,300	47,916,000		
49,188,500		18,725,400	**67,913,900**	48,136,300		19,137,700	**67,274,000**

(*b*) English Contribution for Afghan War.

(*c*) English Contribution for War in Egypt.

J. WESTLAND,
Comptroller General.

D. BARBOUR,
Secretary to the Government of India.

Abstract B.—*Details*

The figures in thick type are those

	ACCOUNTS, 1881-82.			
	Imperial.		Provincial and Local.	Total.
	England.	India.	India.	
	£	£	£	£
Interest—				
1.—Interest on Ordinary Debt (excluding that charged to Productive Public Works)	2,512,420	1,504,836	6,860	4,024,116
2.—Interest on Deposits	706	528,865	4,413	533,984
TOTAL	2,513,126	2,033,701	11,273	**4,558,100**
Direct Demands on the Revenues—				
3.—Refunds and Drawbacks	...	180,130	92,240	272,370
4.—Assignments and Compensations	...	492,266	702,174	1,194,440
Charges in respect of collection, *viz.*:—				
5.—Land Revenue	541	808,761	2,194,490	3,003,792
6.—Opium (including cost of Production)	1,062	2,054,998	1,275	2,057,335
7.—Salt (including cost of Production)	...	423,653	62,556	486,209
8.—Stamps	32,862	—13,574	91,335	110,623
9.—Excise	3	18,835	78,048	96,886
10.—Provincial Rates	...	...	53,226	53,226
11.—Customs	17	22,667	172,426	195,110
12.—Assessed Taxes	...	580	12,494	13,074
13.—Forest	5,288	512,016	40,341	557,645
14.—Registration	...	393	179,008	179,401
TOTAL	39,773	4,500,725	3,679,613	**8,220,111**
Post Office, Telegraph, and Mint—				
15.—Post Office	96,812	955,649	95,474	1,147,935
16.—Telegraph	94,114	442,087	...	536,201
17.—Mint	19,017	68,485	24	87,526
TOTAL	209,943	1,466,221	95,498	**1,771,662**
Salaries and Expenses of Civil Departments—				
18.—General Administration	231,431	653,785	609,140	1,494,356
19.—Law and Justice	226	561,136	2,671,379	3,232,741
20.—Police	...	82,847	2,471,014	2,553,861
21.—Marine (including River Navigation)	197,814	272,982	152,602	623,398
22.—Education	329	9,123	1,069,038	1,078,490
23.—Ecclesiastical	442	119,996	41,698	162,136
24.—Medical	7,468	167,704	508,013	683,185
25.—Political	25,832	622,436	1,078	649,346
26.—Scientific, and other Minor Departments	20,591	388,801	151,599	560,991
TOTAL	484,133	2,878,810	7,675,561	**11,038,504**
Miscellaneous Civil Charges—				
27.—Territorial and Political Pensions	31,265	651,063	...	682,328
28.—Civil Furlough and Absentee Allowances	217,747	3,925	970	222,642
29.—Superannuation Allowances and Pensions	1,367,140	643,631	171,556	2,182,327
30.—Stationery and Printing	118,694	134,867	312,323	565,884
31.—Miscellaneous	44,156	95,743	251,452	391,351
TOTAL	1,779,002	1,529,229	736,301	**4,044,532**
Famine Relief and Insurance—				
32.—Famine Relief	165	—12,078	46,762	34,849
33.—Protective Works, Railways	...	614,551	...	614,551
34.—Protective Works, Irrigation	...	135,449	...	135,449
35.—Reduction of Debt	...	715,151	...	715,151
TOTAL	165	1,453,073	46,762	**1,500,000**
Expenditure on Productive Public Works (Revenue Account)—				
36.—State Railways (Working and Maintenance)	...	1,342,770	343,622	1,686,392
37.—Guaranteed & Subsidized Rys. (Interest & Profits)	3,264,813	413,941	...	3,678,754
38.—East Indian Railway (Interest and Profits)	1,239,446	199,257	...	1,438,703*
39.—Irrigation & Navigation (Working and Maintenance)	193	180,463	274,979	455,635
40.—Madras Irrigation and Canal Co. (Interest, &c.)	49,983	513	...	50,496
41.—Interest on Debt incurred for Productive P. W.—				
Railways	352,852	1,020,842	220,993	1,594,687
Irrigation	...	274,406	451,980	726,386
Miscellaneous Public Improvements	...	17,952	...	17,952
TOTAL	4,907,287	3,450,144	1,291,574	**9,649,005**
Carried over	9,933,429	17,311,903	13,536,582	40,781,914

of Expenditure.

which appear in the General Account.

Rio = £1.

REVISED ESTIMATE, 1882-83.				BUDGET ESTIMATE, 1883-84.			
Imperial.		Provincial and Local.	Total.	Imperial.		Provincial and Local.	Total.
England.	India.	India.		England.	India.	India.	
£	£	£	£	£	£	£	£
2,480,600	1,500,500	7,200	3,988,300	2,494,700	1,321,900	7,000	3,823,600
1,800	456,800	3,800	462,400	3,000	433,700	3,700	440,400
2,482,400	1,957,300	11,000	**4,450,700**	2,497,700	1,755,600	10,700	**4,264,000**
...	190,900	193,300	384,200	...	129,200	66,700	195,900
...	545,000	696,700	1,241,700	...	547,600	698,500	1,246,100
600	259,800	2,795,500	3,055,900	900	280,400	2,930,400	3,211,700
1,600	2,343,300	...	2,344,900	1,000	2,164,300	...	2,165,300
4,000	438,000	57,400	499,400	...	482,400	63,900	546,300
42,600	24,800	53,500	120,900	23,400	25,100	54,500	103,000
...	47,500	48,200	95,700	...	47,000	47,400	94,400
...	...	50,900	50,900	...	...	51,100	51,100
...	...	156,600	156,600	...	...	143,700	143,700
...	6,900	6,900	13,800	...	7,000	7,000	14,000
5,300	262,400	319,000	586,700	5,000	297,400	374,100	676,500
...	92,700	92,100	184,800	...	93,400	92,900	186,300
54,100	4,211,300	4,470,100	**8,735,500**	30,300	4,073,800	4,530,200	**8,634,300**
101,100	986,100	99,500	1,186,700	102,000	1,016,000	104,800	1,222,800
150,400	505,100	1,200	656,700	198,000	543,200	400	741,600
7,200	81,600	...	88,800	4,200	71,200	...	75,400
258,700	1,572,800	100,700	**1,932,200**	304,200	1,630,400	105,200	**2,039,800**
249,700	601,400	726,600	1,577,700	239,000	592,500	723,400	1,554,900
1,400	163,400	3,107,900	3,272,700	1,600	162,900	3,182,200	3,346,700
...	84,400	2,547,100	2,631,500	...	76,400	2,631,600	2,708,000
191,300	218,000	136,400	545,700	136,700	229,500	149,200	515,400
400	9,400	1,124,100	1,133,900	300	9,200	1,190,600	1,200,100
400	163,200	...	163,600	300	167,300	...	167,600
7,500	13,600	676,600	697,700	7,500	14,500	700,700	722,700
26,800	483,500	1,100	511,400	27,300	414,300	800	442,400
26,000	252,000	188,700	466,700	20,800	262,400	212,600	495,800
503,500	1,988,900	8,508,500	**11,000,900**	433,500	1,929,000	8,791,100	**11,153,600**
31,300	656,700	...	688,000	79,300	664,100	...	743,400
215,000	1,500	...	216,500	225,000	1,500	...	226,500
1,389,000	260,300	517,700	2,167,000	1,415,000	232,000	524,300	2,171,300
160,500	—15,300	349,200	494,400	133,000	—23,900	352,900	462,000
28,000	45,600	265,600	339,200	30,000	69,400	265,500	364,900
1,823,800	948,800	1,132,500	**3,905,100**	1,882,300	943,100	1,142,700	**3,968,100**
...	...	25,600	25,600	...	...	12,500	12,500
...	—127,100	...	—127,100	...	1,012,500	...	1,012,500
...	271,300	...	271,300	...	343,300	...	343,300
...	1,330,200	...	1,330,200	...	131,700	...	131,700
	1,474,400	25,600	**1,500,000**		1,487,500	12,500	**1,500,000**
...	1,148,000	384,600	1,532,600	...	1,165,800	407,000	1,572,800
3,269,500	576,900	...	3,846,400	3,296,000	588,500	...	3,884,500
1,217,400	247,100	...	1,464,500	1,207,600	188,400	...	1,396,000
200	235,500	290,700	526,400	...	248,800	300,500	549,300
25,000	...	...	25,000	...	...	...	...
348,100	1,110,300	257,500	1,715,900	301,600	1,205,800	303,100	1,810,500
...	326,200	459,700	785,900	...	388,000	465,700	853,700
...	20,200	...	20,200	...	21,600	...	21,600
4,860,200	3,664,200	1,392,500	**9,916,900**	4,805,200	3,806,900	1,476,300	**10,088,400**
9,982,700	15,817,700	15,640,900	41,441,300	9,953,200	15,626,300	16,068,700	41,648,200

Abstract B.—*Detail*

	ACCOUNTS, 1881-82.			
	Imperial.		Provincial and Local.	Total.
	England.	India.	India.	
	£	£	£	£
Brought over	9,933,429	17,311,903	13,536,582	40,781,914
Expenditure on Public Works not classed as productive—				
42.—State Railways (Capital Account)	...	121,418	126,255	247,673
43.—State Railways (Working and Maintenance)	...	...	...	...
44.—Subsidized Railways	4,301	13,226	...	17,527
Southern Mahratta Railway	...	...	...	...
45.—Frontier Railways	363,491	—138,809	...	224,682
46.—Irrigation and Navigation	22	425,884	364,027	789,933
47.—Military Works	...	1,020,035	50,511	1,070,546
48.—Civil Buildings, Roads, and Services	96,018	466,603	3,480,549	4,043,170
TOTAL	463,831	1,908,357	4,021,342	**6,393,531**
Army Services—				
49.—Army	3,997,482	13,218,733	...	17,216,215
50.—Military Operations in Afghanistan	13,003	1,631,924	...	1,644,927
Military Operations in Egypt	...	...	...	...
TOTAL	4,010,485	14,850,657	...	**18,861,142**
51.—Exchange on Transactions with London	...	3,557,463	—763	**3,556,700**
TOTAL	14,407,746	37,628,380	17,557,161	**69,593,287**
	52,036,126			
SURPLUSES	+2,582,727		+1,521,019	
DEFICITS	...		—1,227	
Total as per Abstract A	54,618,853		19,076,953	
Expenditure on Productive Public Works (Capital Account)—				
52.—State Railways	439,325	1,195,826	...	1,635,151
53.—East Indian Railway	586,300	455,262	...	1,041,562
54.—Irrigation and Navigation	...	565,804	...	565,804
Madras Irrigation and Canal Co.'s Undertakings	...	...	...	...
55.—Miscellaneous Public Improvements	...	68,906	...	68,906
TOTAL	1,025,625	2,285,798	...	**3,311,423**

FORT WILLIAM;
DEPT. OF FINANCE AND COMMERCE,
The 15th March 1883.

E. W. KELLNER,
Deputy Comptroller General

of Expenditure—continued.

Rio = £1.

REVISED ESTIMATE, 1882-83.				BUDGET ESTIMATE, 1883-84.			
Imperial.		Provincial and Local.	Total.	Imperial.		Provincial and Local.	Total.
England.	India.	India		England.	India.	India.	
£	£	£	£	£	£	£	£
9,982,700	15,817,700	15,640,900	41,441,300	9,953,200	15,626,300	16,068,700	41,648,200
...	61,000	377,900	438,900	....	87,500	422,900	510,400
...	134,600	12,400	147,000	...	157,600	27,200	184,800
13,700	56,500	500	70,700	29,600	55,000	16,300	100,900
...	33,100	...	33,100	...	84,800	...	84,800
79,000	202,500	...	281,500	...	67,500	...	67,500
1,300	518,100	400,500	919,900	2,000	488,000	314,000	804,000
1,200	998,800	...	1,000,000	400	999,600	...	1,000,000
86,800	516,800	3,818,600	4,422,200	101,700	414,100	3,787,900	4,303,700
182,000	2,521,400	4,609,900	**7,313,300**	133,700	2,354,100	4,568,300	**7,056,100**
3,969,200	12,202,900	...	16,172,100	4,045,200	12,018,800	...	16,064,000
...	...	...	...	...	...	...	...
118,000	1,219,200	...	1,337,200	...	...	...	...
4,087,200	13,422,100	...	**17,509,300**	4,045,200	12,018,800	...	**16,064,000**
...	3,115,600	...	**3,115,600**	...	3,548,000	...	**3,548,000**
14,251,900	34,876,800	20,250,800	**69,379,500**	14,132,100	33,547,200	20,637,000	**68,316,300**
49,128,700				47,679,300			
+59,800		+18,300		+457,000		+14,700	
...		—1,543,700		...		—1,514,000	
49,188,500		18,725,400		48,136,300		19,137,700	
372,000	1,302,400	...	1,674,400	812,000	1,583,000	...	2,395,000
450,000	263,200	...	713,200	...	424,000	...	424,000
...	649,100	...	649,100	22,600	955,500	...	978,100
1,763,500	...	...	1,763,500	...	...	...	...
...	44,200	...	44,200	...	23,000	...	23,000
2,585,500	2,258,900	...	**4,844,400**	834,600	2,985,500	...	**3,820,100**

J. WESTLAND,
Comptroller General.

D. BARBOUR,
Secretary to the Government of India.

Abstract C.—*Details of Receipts and Disbursements*

The figures in thick type are those

	Accounts, 1881-82.			Revised Estimate, 1882-83.			Budget Estimate, 1883-84.		
	England.	India.	Total.	England.	India.	Total.	England.	India.	Total.
	£	£	£	£	£	£	£	£	£
Revenue (from Abstract A) . .	2,670,058	71,025,748	73,695,806	825,500	67,088,400	67,913,900	220,300	67,053,700	67,274,000
Permanent Debt incurred—									
India 3½ p. c. Stock .	1,204,547	...		450,000	...		...	...	
4 p. c. Rupee Loan .	...	3,000,000		...	2,500,000		...	2,500,000	
India 4 p. c. Debentures . . .	...	...		2,000,000	...		...	...	
Stock Notes . .	...	...		...	180,000		...	100,000	
Miscellaneous . .	1,100	173		...	...		...	...	
Total .	1,205,647	3,000,173	4,205,820	2,450,000	2,680,000	5,130,000	...	2,600,000	2,600,000
Net .	...	...	0	...	...	2,468,600	...	...	2,060,000
Unfunded Debt—									
Temporary Loans .	1,250,000	...		4,250,000	...		...	...	
Special Loans .	...	259		...	5,300		...	...	
Treasury Notes .	...	360,369		...	325,900		...	337,000	
Deposits of Service Funds . .	4,035	701,499		4,000	814,100		4,100	694,900	
Savings Bank Deposits	...	1,661,191		...	1,791,800		...	1,766,100	
Total .	1,254,035	2,723,318	3,977,353	4,254,000	2,937,100	7,191,100	4,100	2,798,000	2,802,100
Net .	...	...	335,853	...	...	707,200	...	...	594,400
Deposits and Advances not bearing Interest—									
Unspent Balances of Provincial Allotments .	...	1,521,019		...	18,300		...	14,700	
Appropriation for Reduction of Debt.	...	715,151		...	1,330,200		...	131,700	
Excluded Local Funds	...	699,520		...	632,300		...	591,100	
Political Funds .	...	9,259		...	7,000		...	6,600	
Railway Funds .	...	21,566		...	21,400		...	21,600	
Military Prize Funds	...	15		...	...		...	...	
Departmental and Judicial Deposits .	8,993	12,873,448		500,900	11,917,100		500,000	11,549,300	
Advances . .	13,505	4,552,395		4,000	7,724,500		3,000	6,138,500	
Suspense Accounts .	...	12,152		...	140,500		...	60,500	
Miscellaneous . .	...	306,517		...	24,200		...	24,200	
Total .	22,498	20,711,042	20,733,540	504,900	21,815,500	22,320,400	503,000	18,538,200	19,041,200
Net .	...	...	0	...	...	262,500	...	...	0
Loans to Municipalities, Native States, &c. .	...	392,345	392,345	...	231,700	231,700	...	195,500	195,500
Net .	...	...	195,183	...	...	105,200	...	...	54,800
Capital of Guaranteed and Subsidized Companies.	596,916	1,452,956	2,049,872	3,184,200	1,742,900	4,927,100	980,000	1,678,600	2,658,600
Net .	...	...	0	...	...	1,092,000	...	...	0
Carried over .	5,749,154	99,305,582		11,218,600	96,495,600		1,707,400	92,864,000	

other than Revenue and Expenditure.

which appear in the General Account.

Rio = £1.

	Accounts, 1881-82.			Revised Estimate, 1882-83.			Budget Estimate, 1883-84.		
	England.	India.	Total.	England.	India.	Total.	England.	India.	Total.
	£	£	£	£	£	£	£	£	£
Expenditure (from Abstract B)	14,407,746	55,185,541	69,593,287	14,251,900	55,127,600	69,379,500	14,132,100	54,184,200	68,316,300
Add—Provincial Surpluses transferred to "Deposits"*	...	+1,521,019	+1,521,019	...	+18,300	+18,300	...	+14,700	+14,700
Deduct—Provincial Deficits charged against "Deposits"*	...	−1,227	−1,227	...	−1,543,700	−1,543,700	...	−1,514,000	−1,514,000
Productive Public Works Capital Expenditure.	1,025,625	2,285,798	3,311,423	2,585,500	2,258,900	4,844,400	834,600	2,985,500	3,820,100
Permanent Debt discharged—									
East India Bonds	4,425,000	...		62,200			...	...	
India 5 p. c. Stock	42,328	...		11,200			10,000	...	
5½ p. c. Loans.	...	24,030		...			...	...	
5 p. c. Loans	...	2,190		...			...	...	
5 p. c. Debentures	...	...		...	602,500		...	...	
4 p. c. Loans	...	174,085		...	34,700		...	...	
Debentures, &c., E. I. Railway	...	...		1,950,000	...		...	..	
Miscellaneous	...	5,082		...	800		500,000	30,000	
Total	4,467,328	205,387	4,672,715	2,023,400	638,000	2,661,400	510,000	30,000	540,000
Net	...	...	466,895	...	...	0	...	...	0
Unfunded Debt—									
Temporary Loans	1,250,000	...		4,250,000	...		...	...	
Special Loans	...	...		...	5,000		...	..	
Treasury Notes	...	136,734		...	147,500		...	147,500	
Deposits of Service Funds	558	692,005		600	699,600		700	644,200	
Savings Bank Deposits	...	1,562,203		...	1,381,200		...	1,415,300	
Total	1,250,558	2,390,942	3,641,500	4,250,600	2,233,300	6,483,900	700	2,207,000	2,207,700
Net	...	...	0	...	...	0	...	...	0
Deposits and Advances not bearing Interest—									
Unspent Balances of Provincial Allotments	...	1,227		...	1,543,700		...	1,514,000	
Appropriation for the reduction of Debt	...	(*a*)		...	(*b*) 227,000		...	...	
Excluded Local Funds	...	670,045		...	650,500		...	588,500	
Political Funds	...	21,599		...	21,500		...	21,500	
Railway Funds	...	12,534		...	16,300		...	10,800	
Military Prize Funds.	...	571		...	100		...	...	
Departmental and Judicial Deposits	1,814,263	13,050,822		900	11,816,000		...	11,354,400	
Advances	6,309	4,606,764		4,000	7,612,200		3,000	6,070,200	
Suspense Accounts	...	36,830		...	35,300		...	30,000	
Miscellaneous	...	653,545		...	130,400		...	34,000	
Total	1,820,572	19,053,937	20,874,509	4,900	22,053,000	22,057,900	3,000	19,623,400	19,626,400
Net	...	...	140,969	...	...	0	...	...	585,200
Loans to Municipalities, Native States, &c.	...	197,162	197,162	...	126,500	126,500	...	140,700	140,700
Net	...	...	0	...	...	0	...	...	0
Capital of Guaranteed and Subsidized Companies.	1,449,445	1,102,841	2,552,286	1,641,200	2,193,900	3,835,100	1,812,000	2,083,300	3,895,300
Net	...	...	502,414	...	...	0	...	...	1,236,700
Carried over	24,421,274	81,941,400		24,757,500	83,105,800		17,292,400	79,754,800	

(*a*) The charge against this head appears under "Permanent Debt."

(*b*) A further charge of £1,000,000 against this account is included under Secretary of State's Bills paid.

* See first entry under "Deposits" below.

Abstract C.—*Details of Receipts and Disbursements*

	ACCOUNTS, 1881-82.			REVISED ESTIMATE, 1882-83.			BUDGET ESTIMATE, 1883-84.		
	England.	India.	Total.	England.	India.	Total.	England.	India.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward .	5,749,154	99,305,582		11,218,600	96,495,600		1,707,400	92,864,000	
Remittances—									
Money Orders .	...	5,733,515		...	6,532,800		...	6,964,600	
Other Local Remittances (net) .	...	...		...	...		...	...	
Other Departmental Accounts . .	...	721,574		...	776,100		...	139,800	
Net Receipts by Civil Treasuries from—									
Post Office . .	...	—29,484		...	327,000		...	247,600	
Telegraph .	...	—66,420		...	—118,800		...	—92,700	
Guaranteed Rys..	...	...		...	3,591,600		...	3,152,400	
Net Receipts from Civil Treasuries by									
Marine . .	...	229,784		...	909,200		...	196,700	
Military . .	...	12,499,034		...	11,447,200		...	10,993,000	
Public Works .	...	3,818,090		...	4,193,700		...	5,117,300	
Remittance Account between England and India . .	323,759	1,551,109		387,300	1,330,300		322,500	1,440,800	
TOTAL . .	323,759	24,457,202	24,780,961	387,300	28,989,100	29,376,400	322,500	28,159,500	28,482,000
NET .	...	...	877,478	...	...	308,400	...	...	0
Secretary of State's Bills drawn . .	18,412,429	...	**18,412,429**	15,042,000	...	**15,042,000**	16,300,000	...	**16,300,000**
Total Receipts .	24,485,342	123,762,784		26,647,900	125,484,700		18,329,900	121,023,500	
Opening Balance .	4,127,749	13,371,101		2,620,909	14,522,913		3,037,109	13,840,013	
Grand Total .	28,613,091	137,133,885		29,268,809	140,007,613		21,367,009	134,863,513	

FORT WILLIAM;
DEPT. OF FINANCE AND COMMERCE,
The 15th March 1883.

E. W. KELLNER,
Deputy Comptroller General.

other than Revenue and Expenditure—continued.

Rio = £1.

	ACCOUNTS, 1881-82.			REVISED ESTIMATE, 1882-83.			BUDGET ESTIMATE, 1883-84.		
	England.	India.	Total.	England.	India.	Total.	England.	India.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward	24,421,274	81,941,400		24,757,500	83,105,800		17,292,400	79,754,800	
Remittances—									
Money Orders	...	5,714,140		...	6,532,300		...	6,947,100	
Other Local Remittances	...	129,469		...	35,000		...	59,500	
Other Departmental Accounts	...	648,495		...	780,600		...	143,300	
Net Payments into Civil Treasuries by—									
Post Office	...	35,052		...	327,000		...	247,600	
Telegraph	...	—62,940		...	—118,800		...	—92,700	
Guaranteed Rys.	...	...		...	3,375,800		...	3,152,400	
Net Issues from Civil Treasuries to—									
Marine	...	190,183		...	909,200		...	196,700	
Military	...	12,296,964		...	11,447,200		...	10,993,000	
Public Works	...	3,048,543		...	3,893,700		...	5,117,300	
Remittance Account between England and India	1,570,908	332,669		1,474,200	411,800		1,761,000	347,800	
TOTAL	1,570,908	22,332,575	23,903,483	1,474,200	27,593,800	29,068,000	1,761,000	27,112,000	28,873,000
NET	...	...	0	...	...	0	...	...	391,000
Secretary of State's Bills paid	...	18,336,997	**18,336,997**	...	15,468,000	**15,468,000**	...	16,300,000	**16,300,000**
Total Disbursements	25,992,182	122,610,972		26,231,700	126,167,600		19,053,400	123,166,800	
Closing Balance	2,620,909	14,522,913		3,037,109	13,840,013		2,313,609	11,696,713	
Grand Total	28,613,091	137,133,885		29,268,809	140,007,613		21,367,009	134,863,513	

J. WESTLAND,
Comptroller General.

D. BARBOUR,
Secretary to the Government of India.

Abstract D.—*Account of Provincial and Local Savings charged to Revenue, and held at the disposal of Provincial Governments under their Provincial contracts.*

Provincial and Local Balances.

NOTE.—These balances do not include the Balances of Deposits and Advances upon Local Fund Accounts.

	India.	Central Provinces.	Burmah.	Assam.	Bengal.	N.-W. P. & Oudh.	Punjab.	Madras.	Bombay.	TOTAL.
Accounts, 1881-82.	£	£	£	£	£	£	£	£	£	£
Balance at end of 1880-81	6,416	112,191	386,128	59,868	696,799	925,153	246,897	571,863	292,749	3,298,064
Added in 1881-82.	...	88,021	55,357	43,973	221,262	433,595	162,980	75,837	439,994	1,521,019
Spent in 1881-82.	1,227	...	...	...	...	...	...	...	...	1,227
Balance at end of 1881-82	5,189	200,212	441,485	103,841	918,061	1,358,748	409,877	647,700	732,743	4,817,856
Revised Estimate, 1882-83.										
Balance at end of 1881-82 (by Accounts)	5,189	200,212	441,485	103,841	918,061	1,358,748	409,877	647,700	732,743	4,817,856
Added in 1882-83	...	18,300	...	...	...	...	...	...	...	18,300
Spent in 1882-83	2,200	...	138,500	11,300	555,100	376,700	92,700	18,800	348,400	1,543,700
Balance at end of 1882-83	2,989	218,512	302,985	92,541	362,961	982,048	317,177	628,900	384,343	3,292,456
Budget Estimate, 1883-84.										
Balance at end of 1882-83 (by Revised Estimate)	2,989	218,512	302,985	92,541	362,961	982,048	317,177	628,900	384,343	3,292,456
Added in 1883-84	...	14,700	...	...	...	...	...	...	...	14,700
Spent in 1883-84	2,200	...	286,200	42,000	292,400	734,700	21,800	123,400	11,300	1,514,000
Balance at end of 1883-84	789	233,212	16,785	50,541	70,561	247,348	295,377	505,500	373,043	1,793,156

E. W. KELLNER, *Deputy Comptroller General.*

J. WESTLAND, *Comptroller General.*

D. BARBOUR, *Secretary to the Government of India.*

FORT WILLIAM;
DEPT. OF FINANCE AND COMMERCE,
The 15th March 1883.

Abstract E.—*Statement of Net Revenue and Expenditure.*

Net Revenue.

	Accounts, 1881-82.					Revised Estimate, 1882-83.					Budget Estimate, 1883-84.				
	Gross Revenue.	Refunds and Drawbacks.	Total after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.	Gross Revenue.	Refunds and Drawbacks.	Total after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.	Gross Revenue.	Refunds and Drawbacks.	Total after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Land Revenue	21,948,022	48,013	21,900,009	3,003,792	18,896,217	21,700,400	173,700	21,526,700	3,055,900	18,470,800	21,792,709	50,100	21,742,600	3,211,700	18,530,900
Opium	9,862,444	1,889	9,860,555	2,057,335	7,803,220	9,561,800	400	9,561,400	2,344,900	7,216,500	9,200,000	400	9,199,600	2,165,300	7,034,300
Salt	7,375,620	45,335	7,330,285	486,209	6,844,076	6,128,700	50,300	6,078,400	499,400	5,579,000	6,167,000	25,800	6,141,200	546,300	5,594,900
Stamps	3,381,372	37,707	3,343,665	110,623	3,233,042	3,411,600	36,700	3,374,900	120,900	3,254,000	3,427,200	35,900	3,391,300	103,000	3,288,300
Excise	3,427,274	19,610	3,407,664	96,886	3,310,778	3,615,900	39,500	3,576,400	95,700	3,480,700	3,623,300	19,500	3,603,800	94,400	3,509,400
Provincial Rates	2,895,490	13,730	2,881,760	53,226	2,828,534	2,668,400	3,000	2,665,400	50,900	2,614,500	2,688,200	2,600	2,685,600	51,100	2,634,500
Customs	2,301,388	73,222	2,288,166	195,110	2,093,056	1,265,300	54,900	1,210,400	156,600	1,053,800	1,255,100	37,900	1,217,200	143,700	1,073,500
Assessed Taxes	536,829	28,878	507,951	13,074	494,877	525,900	22,000	503,900	13,800	490,100	523,400	18,900	504,500	14,000	490,500
Forest	874,435	2,339	872,096	557,645	314,451	921,600	2,200	919,400	586,700	332,700	935,800	3,100	932,700	676,500	256,200
Registration	284,714	1,647	283,067	179,401	103,666	285,400	1,500	283,900	184,800	99,100	280,400	1,700	278,700	186,300	92,400
Tributes from Native States	706,873	...	706,873	...	706,873	709,900	...	709,900	...	709,900	701,000	...	701,000	...	701,000
	53,654,461	272,370	53,382,091	6,753,301	46,628,790	50,794,900	384,200	50,410,700	7,109,600	43,301,100	50,594,100	195,900	50,398,200	7,192,300	43,205,900
Deduct—Assignments and Compensations	...	...	...	...	1,194,440	...	...	...	...	1,241,700	...	...	...	...	1,246,100
					45,434,350					42,059,400					41,959,800
Productive Public Works	...	...	10,782,063	9,649,905	1,133,058	...	...	10,369,500	9,916,900	452,600	...	...	10,607,600	10,088,400	519,200
Total Net Revenue	...	...	...	...	46,567,408					42,512,000					42,479,000

Net Expenditure.

	Accounts, 1881-82.			Revised Estimate, 1882-83.			Budget Estimate, 1883-84.		
	Gross Expenditure.	Receipts.	Net Expenditure.	Gross Expenditure.	Receipts.	Net Expenditure.	Gross Expenditure.	Receipts.	Net Expenditure.
	£	£	£	£	£	£	£	£	£
Interest	4,558,100	...	4,558,100	4,450,700	...	4,450,700	4,264,000	...	4,264,000
Post Office, Telegraph & Mint	1,771,662	1,489,699	281,963	1,932,200	1,652,800	279,400	2,039,800	1,670,000	369,800
Civil Department	11,038,504	1,513,083	9,525,421	11,000,900	1,434,200	9,566,700	11,153,600	1,402,300	9,751,300
Miscellaneous Civil Charges	4,044,532	1,707,226	2,337,306	3,905,100	1,365,000	2,540,100	3,968,100	1,269,500	2,698,600
Famine Relief and Insurance	1,500,000	...	1,500,000	1,500,000	...	1,500,000	1,500,000	...	1,500,000
Public Works not classed as Productive	6,393,531	727,799	5,665,732	7,313,300	771,500	6,541,800	7,056,100	864,700	6,191,400
Army Services	18,861,142	3,821,475	15,039,667	17,509,300	1,526,000	15,983,300	16,064,000	865,800	15,198,200
Exchange on Transactions with London	3,556,700	...	3,556,700	3,115,696	...	3,115,600	3,548,000	...	3,548,900
	51,724,171	9,259,282	42,464,889	50,727,100	6,749,500	43,977,600	49,593,600	6,072,300	43,521,300
Provincial and Local Surpluses and Deficits	Surpluses. 1,521,019	Deficits. 1,227	+1,519,792	Surpluses. 18,300	Deficits. 1,543,700	—1,525,400	Surpluses. 14,700	Deficits. 1,514,000	—1,499,300
Total Net Expenditure	...	...	43,984,681	...	...	42,452,200	...	...	42,022,000
Surplus or Deficit	...	...	2,582,727	...	...	+59,800	...	...	+457,000
			46,567,408			42,512,000			42,479,000

Fort William;
Dept. of Finance and Commerce,
The 15th March 1883.

E. W. KELLNER,
Deputy Comptroller General.

J. WESTLAND,
Comptroller General.

D. BARBOUR,
Secretary to the Government of India.

APPENDIX II.

ACCOUNTS AND ESTIMATES.

(OLD CLASSIFICATION).

Accounts	1881-82.
Revised Estimates . .	1882-83.
Budget Estimates . .	1883-84.

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The following refunds are in the above Revised Estimates for 1882-83 and Budget Estimates for 1883-84 charged, according to the old practice, against the General head "Refunds and Drawbacks." In the new classification, not being Revenue Refunds, they are charged against the specific heads concerned :—

REVISED.—Law and Justice, £43,400; Minor Departments, £100; Police, £3,800; Marine, £200; Education, £300; Medical, £1,300; Superannuation, £400; Stationery and Printing, £300; Miscellaneous, £78,000. Total, £127,800.

BUDGET.—Law and Justice, £43,300; Minor Departments, £200; Police, £2,400; Marine, £300; Education, £800; Medical, £1,400; Superannuation £100; Stationery and Printing £100; Miscellaneous, £77,700. Total, £126,300.

In other respects the totals of the Major Heads in the old and new classifications agree.

I.—REVENUE AND EXPENDITURE OF THE GOVERNMENT

Estimates,

REVENUES.	Accounts, 1881-82.	Budget Estimates, 1882-83.	Revised Estimates, 1882-83.	Increase.	Decrease.	Budget Estimates, 1883-84.	Budget Estimates, 1883-84, compared with Revised Estimates, 1882-83.	
							Increase.	Decrease.
CIVIL.	£	£	£	£	£	£	£	£
I.—Land Revenue	22,439,242	22,172,000	22,232,400	60,400	...	22,338,200	105,800	...
II.—Tributes	706,873	701,000	709,900	8,900	...	701,000	...	8,900
III.—Forest	874,435	809,000	921,600	112,600	...	935,800	14,200	...
IV.—Excise	3,427,274	3,331,000	3,615,900	284,900	...	3,623,300	7,400	...
V.—Assessed Taxes	536,829	538,000	525,900	...	12,100	523,400	...	2,500
VI.—Provincial Rates	2,895,490	2,649,000	2,668,400	19,400	...	2,688,200	19,800	...
VII.—Customs	2,361,388	1,181,000	1,265,300	84,300	...	1,255,100	...	10,200
VIII.—Salt	7,375,620	6,049,000	6,128,700	79,700	...	6,167,000	38,300	...
IX.—Opium	9,862,444	9,500,000	9,561,800	61,800	...	9,200,000	...	361,800
X.—Stamps	3,381,372	3,342,000	3,411,600	69,600	...	3,427,200	15,600	...
XI.—Registration	284,714	284,000	285,400	1,400	...	280,400	...	5,000
XII.—Mint	70,584	145,000	152,200	7,200	...	102,000	...	50,200
XIII.—Post Office	949,907	967,000	979,600	12,600	...	1,010,900	31,300	...
XIV.—Telegraph	469,208	525,000	521,000	...	4,000	557,100	36,100	...
XV.—Minor Departments	120,949	66,000	85,100	19,100	...	70,500	...	14,600
XVI.—Law and Justice	677,454	659,000	662,000	3,000	...	645,000	...	17,000
XVII.—Police	248,005	248,000	227,200	...	20,800	226,200	...	1,000
XVIII.—Marine	237,876	183,000	211,600	28,600	...	207,100	...	4,500
XIX.—Education	189,292	177,000	199,800	22,800	...	204,900	5,100	...
XX.—Medical	39,507	41,000	48,500	7,500	...	48,600	100	...
XXI.—Stationery&Printing	57,811	59,000	57,600	...	1,400	57,200	...	400
XXII.—Interest	896,904	652,000	688,000	36,000	...	651,000	...	37,000
XXIII.—Superannuations	356,273	307,000	293,300	...	13,700	293,200	...	100
XXIV.—Miscellaneous	396,238	268,000	326,100	58,100	...	268,100	...	58,000
XXV.—Railways	9,436,168	8,910,000	9,085,000	175,000	...	9,379,600	294,600	...
XXVI.—Irrigation and Navigation	988,204	962,000	1,011,200	49,200	...	1,026,700	15,500	...
XXVII.—Other Public Works	594,270	485,000	512,800	27,800	...	520,500	7,700	...
XXVIII.—Army	1,161,707	868,000	986,000	118,000	...	865,800	...	120,200
English Contribution for Afghan War	2,305,000	....	500,000*	500,000	...	...	...	500,000
Military Operations in Afghanistan	354,768	...	...					
Military Operations in Egypt	...	....	40,000	40,000	...	...	...	40,000
XXIX.—Gain by Exchange	297,799	381,000	336,300	...	44,700	377,200	40,900	...
GRAND TOTAL	73,993,605	66,459,000	68,250,200	1,791,200	...	67,651,200	...	599,000
Deficit	...	...	...	...	...	...	...	...

* Egyptian War.

FORT WILLIAM;
DEPT. OF FINANCE AND COMMERCE,
The 15th March 1883.

E. W. KELLNER,
Deputy Comptroller General.

OF INDIA IN INDIA AND IN ENGLAND.

1883-84.

EXPENDITURE.	Accounts, 1881-82.	Budget Estimates, 1882-83.	Revised Estimates, 1882-83.	Increase.	Decrease.	Budget Estimates, 1883-84.	Budget Estimates, 1883-84, compared with Revised Estimates, 1882-83. Increase.	Decrease.
CIVIL.	£	£	£	£	£	£	£	£
1.—Interest on Debt	6,363,141	6,391,000	6,510,300	119,300	...	6,509,400	...	900
2.—Interest, other Accts.	533,984	459,000	462,400	3,400	...	440,400	...	22,000
3.—Refunds and Drawbacks	419,921	511,000	512,000	1,000	...	322,200	...	189,800
4.—Land Revenue	3,003,792	3,168,000	3,055,900	...	112,100	3,211,700	155,800	...
5.—Forest	557,645	581,000	586,700	5,700	...	676,500	89,800	...
6.—Excise	96,886	99,000	95,700	...	3,300	94,400	...	1,300
7.—Assessed Taxes	13,074	15,000	13,800	...	1,200	14,000	200	...
8.—Provincial Rates	53,226	49,000	50,900	1,900	...	51,100	200	...
9.—Customs	195,119	163,000	156,600	...	6,400	143,700	...	12,900
10.—Salt	486,209	639,000	499,400	...	139,600	546,300	46,900	...
11.—Opium	2,057,335	2,250,000	2,344,900	94,900	...	2,165,300	...	179,600
12.—Stamps	110,623	119,000	120,900	1,900	...	103,000	...	17,900
13.—Registration	179,401	186,000	184,800	...	1,200	186,300	1,500	...
14.—Mint	87,526	108,000	88,800	...	19,200	75,400	...	13,400
15.—Post Office	1,147,935	1,173,000	1,186,700	13,700	...	1,222,800	36,100	...
16.—Telegraph	536,201	637,000	656,700	19,700	...	741,600	84,900	...
17.—Administration	1,494,356	1,504,000	1,577,700	73,700	...	1,554,900	...	22,800
18.—Minor Departments	560,991	442,000	466,600	24,600	...	495,600	29,000	...
19.—Law and Justice	3,184,249	3,347,000	3,229,300	...	117,700	3,303,400	74,100	...
20.—Police	2,553,861	2,635,000	2,627,700	...	7,300	2,705,600	77,900	...
21.—Marine	623,398	621,000	545,500	...	75,500	515,100	...	30,400
22.—Education	1,078,490	1,149,000	1,133,600	...	15,400	1,199,300	65,700	...
23.—Ecclesiastical	162,136	163,000	163,600	600	...	167,600	4,000	...
24.—Medical	683,185	703,000	696,400	...	6,600	721,300	24,900	...
25.—Stationery and Printing	565,884	440,000	494,100	54,100	...	461,900	...	32,200
26.—Political	649,346	520,000	511,400	...	8,600	442,400	...	69,000
27.—Allces. & Assignments	1,876,768	1,939,000	1,929,700	...	9,300	1,989,500	59,800	...
28.—Civil Furlough Allces.	222,642	234,000	216,500	...	17,500	226,500	10,000	...
29.—Superannuations	2,182,327	2,101,000	2,166,600	65,600	...	2,171,200	4,600	...
30.—Miscellaneous	292,292	271,000	261,200	...	9,800	287,200	26,000	...
31.—Famine Relief & Insurance—								
Relief	34,849	...	25,600	25,600	...	12,500	...	13,100
Protective Works	750,000	750,000	144,200	...	605,800	1,355,800	1,211,600	...
Reduction of Debt	715,151	750,000	1,330,200	580,200	...	131,700	...	1,198,500
32.—Railways	7,051,522	7,592,000	7,429,400	...	162,600	7,548,500	119,100	...
Subsidized Railways	17,527	50,000	70,700	20,700	...	100,900	30,200	...
Frontier Railways	224,682	223,000	281,500	58,500	...	67,500	...	214,000
South Mahratta	...	...	33,100	33,100	...	84,800	51,700	...
33.—Irrigation & Navigation	1,296,064	1,527,000	1,471,300	...	55,700	1,353,300	...	118,000
34.—Other Public Works	5,113,716	5,371,000	5,422,200	51,200	...	5,303,700	...	118,500
35.—Army	17,216,215	16,128,000	16,172,100	44,100	...	16,064,000	...	108,100
Military Operations in Afghanistan	1,644,927	...	...	...	...	...	...	...
Military Operations in Egypt	...	...	1,337,200	1,337,200	...	...	...	1,337,200
36.—Loss by Exchange	3,854,499	3,156,000	3,451,900	295,900	...	3,925,200	473,300	...
PROVINCIAL LOCAL. Surplus	69,891,086	68,164,000	69,715,800	1,551,800	...	68,693,500	...	1,022,300
	+1,521,019	...	+18,300	18,300	...	+14,700	...	3,600
Deficits	—1,227	—1,990,000	—1,543,700	446,300	...	—1,514,000	29,700	...
TOTAL	71,410,878	66,174,000	68,190,400	2,016,400		67,194,200	...	996,200
Surplus	2,582,727	285,000	59,800	...	225,200	457,000	397,200	...
37.—Pro. Public Works—								
State Railways	1,635,151	1,868,000	1,674,400	...	193,600	2,395,000	720,600	...
E. I. Railway	1,041,562	485,000	713,200	228,200	...	424,000	...	289,200
Irrigation and Navigation	565,804	897,000	2,412,600	1,515,600	...	978,100	...	1,434,500
Miscellaneous Public Improvements	68,906		44,200	44,200		23,000	...	21,200
Total Productive Public Works, Capital	3,311,423	3,250,000	4,844,400	1,594,400	...	3,820,100	...	1,024,300

J. WESTLAND,
Comptroller General.

D. BARBOUR,
Secretary to the Government of India.

II.—REVENUE AND EXPENDITURE OF THE GOVERNMENT

(*Distinguishing Revenue and Charges*

Estimates,

REVENUE.	ACCOUNTS, 1881-82.	BUDGET ESTIMATES, 1882-83.	REVISED ESTIMATES, 1882-83.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1883-84.	BUDGET ESTIMATES, 1883-84, COMPARED WITH REVISED ESTIMATES, 1882-83.	
							Increase.	Decrease.
CIVIL.	£	£	£	£	£	£	£	£
I.—LAND REVENUE	21,948,022	21,487,000	21,700,400	213,400	...	21,792,700	92,300	...
II.—TRIBUTES	706,873	701,000	709,900	8,900	...	701,000	...	8,900
III.—FOREST	874,435	809,000	921,600	112,600	...	935,800	14,200	...
IV.—EXCISE	3,427,274	3,331,000	3,615,900	284,900	...	3,623,300	7,400	...
V.—ASSESSED TAXES	536,829	538,000	525,900	...	12,100	523,400	...	2,500
VI.—PROVINCIAL RATES	2,895,490	2,649,000	2,668,400	19,400	...	2,688,200	19,800	...
VII.—CUSTOMS	2,361,388	1,181,000	1,265,300	84,300	...	1,255,100	...	10,200
VIII.—SALT	7,375,620	6,049,000	6,128,700	79,700	...	6,167,000	38,300	...
IX.—OPIUM	9,862,444	9,500,000	9,561,800	61,800	...	9,200,000	...	361,800
X.—STAMPS	3,381,372	3,342,000	3,411,600	69,600	...	3,427,200	15,600	...
XI.—REGISTRATION	284,714	284,000	285,400	1,400	...	280,400	...	5,000
XII.—MINT	70,584	145,000	152,200	7,200	...	102,000	...	50,200
XIII.—POST OFFICE	949,907	967,000	979,600	12,600	...	1,010,900	31,300	...
XIV.—TELEGRAPH	469,208	525,000	521,000	...	4,000	557,100	36,100	...
XV.—MINOR DEPARTMENTS	120,949	66,000	85,100	19,100	...	70,500	...	14,600
XVI.—LAW AND JUSTICE	677,454	659,000	662,000	3,000	...	645,000	...	17,000
XVII.—POLICE	248,005	248,000	227,200	...	20,800	226,200	...	1,000
XVIII.—MARINE	237,876	183,000	211,600	28,600	...	207,100	...	4,500
XIX.—EDUCATION	189,292	177,000	199,800	22,800	...	204,900	5,100	...
XX.—MEDICAL	39,507	41,000	48,500	7,500	...	48,600	100	...
XXI.—STATIONERY&PRINTING	57,811	59,000	57,600	...	1,400	57,200	...	400
XXII.—INTEREST	896,904	652,000	688,000	36,000	...	651,000	...	37,000
XXIII.—SUPERANNUATIONS	356,273	307,000	293,300	...	13,700	293,200	...	100
XXIV.—MISCELLANEOUS	396,238	268,000	326,100	58,100	...	268,100	...	58,000
XXV.—RAILWAYS—								
Ordinary	...	...	123,100	123,100	...	191,900	68,800	...
Subsidized	2,290	1,000	3,700	2,700	...	11,000	7,300	...
XXVI.—IRRIGATION & NAVGN.	131,239	133,000	131,900	...	1,100	141,300	9,400	...
XXVII.—OTHER PUBLIC WORKS	594,270	485,000	512,800	27,800	...	520,500	7,700	...
XXVIII.—ARMY	1,161,707	868,000	986,000	118,000	...	865,800	...	120,200
ENGLISH CONTRIBUTION FOR AFGHAN WAR	2,305,000	...	500,000*	500,000	...	...	...	500,000
MILITARY OPERATIONS IN AFGHANISTAN	354,768	...	...	...	...	...	...	...
MILITARY OPERATIONS IN EGYPT	...	...	40,000	40,000	...	...	...	40,000
XXIX.—GAIN BY EXCHANGE	297,799	381,000	336,300	...	44,700	377,200	40,900	...
TOTAL	63,211,542	56,036,000	57,880,700	1,844,700	...	57,043,600	...	837,100
Revenue from Productive Public Works.								
XXV.—RAILWAYS—								
State(Gross Earnings)	2,556,542	2,776,000	2,583,000	...	193,000	2,730,500	147,500	...
Guaranteed (Net Traffic Receipts)	3,615,625	3,473,000	3,530,000	57,000	...	3,539,000	9,000	...
East Indian Railway	3,261,711	2,660,000	2,845,200	185,200	...	2,907,200	62,000	...
XXVI.—IRRIGN. & NAVGN.—								
Direct Receipts	865,799	844,000	884,700	40,700	...	885,400	700	...
Madras Irrigation and Canal Company (Net Traffic Receipts, &c.)	—8,834	—15,000	—5,400	9,600	...	...	5,400	...
I.—PORTION OF LAND REVENUE DUE TO IRRIGATION	491,220	685,000	532,000	...	153,000	545,500	13,500	...
TOTAL	10,782,063	10,423,000	10,369,500	...	53,500	10,607,600	238,100	
GRAND TOTAL REVENUE	73,993,605	66,459,000	68,250,200	1,791,200	...	67,651,200	...	599,000
DEFICIT					...	...	...	

* Egyptian War.

FORT WILLIAM;
DEPT. OF FINANCE AND COMMERCE,
The 15th March 1883.

E. W. KELLNER,
Deputy Comptroller General.

F INDIA IN INDIA AND IN ENGLAND.

f Productive Public Works.)

882-83.

EXPENDITURE.	ACCOUNTS. 1881-82.	BUDGET ESTIMATES, 1882-83.	REVISED ESTIMATES, 1882-83.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1883-84.	BUDGET ESTIMATES, 1883-84, COMPARED WITH REVISED ESTIMATES, 1882-83.	
							Increase.	Decrease.
CIVIL.	£	£	£	£	£	£	£	£
1.—INTEREST ON DEBT	4,024,116	3,917,000	3,988,300	71,300	...	3,823,600	...	164,700
2.—INTEREST, OTHER ACCTS.	533,984	459,000	462,400	3,400	...	440,400	...	22,000
3.—REFUNDS AND DRAWBACKS	419,921	511,000	512,000	1,000	...	322,200	...	189,800
4.—LAND REVENUE	3,003,792	3,168,000	3,055,900	...	112,100	3,211,700	155,800	...
5.—FOREST	557,645	581,000	586,700	5,700	...	676,500	89,800	...
6.—EXCISE	96,886	99,000	95,700	...	3,300	94,400	...	1,300
7.—ASSESSED TAXES	13,074	15,000	13,800	...	1,200	14,000	200	...
8.—PROVINCIAL RATES	53,226	49,000	50,900	1,900	...	51,100	200	...
9.—CUSTOMS	195,110	163,000	156,600	...	6,400	143,700	...	12,900
10.—SALT	486,209	639,000	499,400	...	139,600	546,300	46,900	...
11.—OPIUM	2,057,335	2,250,000	2,344,900	94,900	...	2,165,300	...	179,600
12.—STAMPS	110,623	119,000	120,900	1,900	...	103,000	...	17,900
13.—REGISTRATION	179,401	186,000	184,800	...	1,200	186,300	1,500	...
14.—MINT	87,526	108,000	88,800	...	19,200	75,400	...	13,400
15.—POST OFFICE	1,147,935	1,173,000	1,186,700	13,700	...	1,222,800	36,100	...
16.—TELEGRAPH	536,201	637,000	656,700	19,700	...	741,600	84,900	...
17.—ADMINISTRATION	1,494,356	1,504,000	1,577,700	73,700	...	1,554,900	...	22,800
18.—MINOR DEPARTMENTS	560,991	442,000	466,600	24,600	...	495,600	29,000	...
19.—LAW AND JUSTICE	3,184,249	3,347,000	3,229,300	...	117,700	3,303,400	74,100	...
20.—POLICE	2,553,861	2,635,000	2,627,700	...	7,300	2,705,600	77,900	...
21.—MARINE	623,398	621,000	545,500	...	75,500	515,100	...	30,400
22.—EDUCATION	1,078,490	1,149,000	1,133,600	...	15,400	1,199,300	65,700	...
23.—ECCLESIASTICAL	162,136	163,000	163,600	600	...	167,600	4,000	...
24.—MEDICAL	683,185	703,000	696,400	...	6,600	721,300	24,900	...
25.—STATIONERY & PRINTING	565,884	440,000	494,100	54,100	...	461,900	...	32,200
26.—POLITICAL	649,346	520,000	511,400	...	8,600	442,400	...	69,000
27.—ALLOWCES. & ASSIGNMENTS	1,876,768	1,939,000	1,929,700	...	9,300	1,989,500	59,800	...
28.—CIVIL FURLOUGH ALLOWCES.	222,642	234,000	216,500	...	17,500	226,500	10,000	...
29.—SUPERANNUATIONS	2,182,327	2,101,000	2,166,600	65,600	...	2,171,200	4,600	...
30.—MISCELLANEOUS	292,292	271,000	261,200	...	9,800	287,200	26,000	...
31.—FAMINE RELIEF & INSURANCE								
RELIEF	34,849	...	25,600	25,600	...	12,500	...	13,100
PROTECTIVE WORKS	750,000	750,000	144,200	...	605,800	1,355,800	1,211,600	...
REDUCTION OF DEBT	715,151	750,000	1,330,200	580,200	...	131,700	...	1,198,500
32.—RAILWAYS—ORDINARY	247,673	592,000	585,900	...	6,100	695,200	109,300	...
SUBSIDIZED RAILWAYS	17,527	50,000	70,700	20,700	...	100,900	30,200	...
FRONTIER RAILWAYS	224,682	223,000	281,500	58,500	...	67,500	...	214,000
SOUTH MAHRATTA	...	...	33,100	33,100	...	84,800	51,700	...
33.—IRRIGATION & NAVIGATION	789,933	974,000	919,900	...	54,100	804,000	...	115,900
34.—OTHER PUBLIC WORKS	5,113,716	5,371,000	5,422,200	51,200	...	5,303,700	...	118,500
35.—ARMY	17,216,215	16,128,000	16,172,100	44,100	...	16,064,000	...	108,100
MILITARY OPERATIONS IN AFGHANISTAN	1,644,927	...	...	...	...	...	...	...
MILITARY OPERATIONS IN EGYPT	...	...	1,337,200	1,337,200	...	...	...	1,337,200
36.—LOSS BY EXCHANGE	3,854,499	3,156,000	3,451,900	295,900	...	3,925,200	473,300	...
	60,242,081	58,137,000	59,798,900	1,661,900	...	58,605,100	...	1,193,800
PROVINCIAL AND LOCAL Surpluses and Deficits	1,521,019	...	+18,300	18,300	...	+14,700	...	3,600
	—1,227	—1,990,000	—1,543,700	446,300	...	—1,514,000	29,700	...
EXPENDITURE ORDINARY	61,761,873	56,147,000	58,273,500	2,126,500	...	57,105,800	...	1,167,700
Expenditure on Productive Public Works (Working Expenses and Interest).								
32.—RAILWAYS—								
State (Working and Maintenance)	1,686,392	1,741,000	1,532,600	...	208,400	1,572,800	40,200	...
Guaranteed (Interest, Surplus Profits, &c.)	3,679,847	3,825,000	3,846,400	21,400	...	3,884,500	38,100	...
East Indian Railway	1,437,610	1,434,000	1,464,500	30,500	...	1,396,000	...	68,500
33.—IRRIGATION & NAVIGATION—								
Working and Maintenance	455,635	503,000	526,400	23,400	...	549,300	22,900	...
Madras Irrigation & Canal Company (Interest, &c.)	50,496	50,000	25,000	...	25,000	...	...	25,000
1.—INTEREST ON DEBT	2,339,025	2,474,000	2,522,000	48,000	...	2,685,800	163,800	...
TOTAL	9,649,005	10,027,000	9,916,900	...	110,100	10,088,400	171,500	...
GRAND TOTAL	71,410,878	66,174,000	68,190,400	2,016,400	...	67,194,200	...	996,200
SURPLUS	2,582,727	285,000	59,800	...	225,200	457,000	397,200	...
37.—PRODUCTIVE PUBLIC WORKS								
Do. do. State Railways	1,635,151	1,868,000	1,674,400	...	193,600	2,395,000	720,600	...
Do. do. E. I. Railway	1,041,562	485,000	713,200	228,200	...	424,000	...	289,200
Irrigation and Navigation	565,804	897,000	2,412,600	1,515,600	...	978,100	...	1,434,500
Miscellaneous Public Improvements	68,906	...	44,200	44,200	...	23,000	...	21,200
TOTAL PRODUCTIVE PUBLIC WORKS, CAPITAL	3,311,423	3,250,000	4,844,400	1,591,400	...	3,820,100	...	1,024,300

J. WESTLAND,
Comptroller General.

D. BARBOUR,
Secretary to the Government of India.

III.—REVENUE AND EXPENDITURE OF THE GOVERNMENT OF INDIA IN INDIA AND

REVENUE.	Revised Estimates, 1882-83.				Budget Estimates, 1883-84.			
	Imperial.	Provincial.	Local.	Total.	Imperial.	Provincial.	Local.	Total.
	£	£	£	£	£	£	£	£
Opening Balance		3,742,100	1,109,500			2,464,400	881,800	
I.—Land Revenue	14,265 600	7,843,200	123,600	22,232,400	14,060,000	8,155,900	122,300	22,338,200
II.—Tributes	709,900	...	...	709,900	701,000	...	...	701,000
III.—Forest	426,000	495,600	...	921,600	429,300	506,500	...	935,800
IV.—Excise	1,822,700	1,791,900	1,300	3,615,900	1,826,300	1,795,700	1,300	3,623,300
V.—Assessed Taxes	262,900	263,000	...	525,900	261,700	261,700	...	523,400
VI.—Provincial Rates	500	622,500	2,045,400	2,668,400	500	612,600	2,075,100	2,688,200
VII.—Customs	1,065,500	199,800	...	1,265,300	1,061,800	193,300	...	1,255,100
VIII.—Salt	6,097,600	31,100	...	6,128,700	6,136,500	30,500	...	6,167,000
IX.—Opium	9,561,800	...	...	9,561,800	9,200,000	...	...	9,200,000
X.—Stamps	1,721,800	1,689,800	...	3,411,600	1,729,600	1,697,600	...	3,427,200
XI.—Registration	143,100	142,300	...	285,400	140,600	139,800	...	280,400
XII.—Mint	152,200	...	...	152,200	102,000	...	...	102,000
XIII.—Post Office	974,400	3,200	2,000	979,600	1,006,000	3,000	1,900	1,010,900
XIV.—Telegraph	520,700	300	...	521,000	557,000	100	...	557,100
XV.—Minor Departments	19,300	56,300	9,500	85,100	17,700	43,300	9,500	70,500
XVI.—Law and Justice	54,500	607,200	300	662,000	39,200	605,400	400	645,000
XVII.—Police	5,700	180,600	40,900	227,200	200	185,400	40,600	226,200
XVIII.—Marine	99,900	111,700	..	211,600	89,000	118,100	...	207,100
XIX.—Education	1,200	126,900	71,700	199,800	900	134,700	69,300	204,900
XX.—Medical	2,100	30,800	15,600	48,500	2,100	30,700	15,800	48,600
XXI.—Stationery and Printing	10,000	47,600	...	57,600	7,000	50,200	...	57,200
XXII.—Interest	657,700	14,200	16,100	688,000	620,600	13,700	16,700	651,000
XXIII.—Pensions	266,100	27,100	100	293,300	268,100	25,000	100	293,200
XXIV.—Miscellaneous	69,000	158,800	98,300	326,100	46,700	132,000	89,400	268,100
XXV.—Railways	8,409,100	675,900	...	9,085,000	8,598,600	781,000	...	9,379,600
XXVI.—Irrigation and Navigation	280,300	729,700	1,200	1,011,200	304,200	721,500	1,000	1,026,700
XXVII.—Other Public Works	62,900	330,600	119,300	512,800	63,900	337,200	119,400	520,500
XXVIII.—Army	986,000	...	...	986,000	865,800	...	...	865,800
Military Operations in Egypt	40,000	...	...	40,000	...	...	...	...
English Contribution for War in Egypt	500,000	...	...	500,000	...	...	...	...
XXIX.—Gain by Exchange	336,300	...	...	336,300	377,200	...	...	377,200
Total	49,524,800	16,180,100	2,545,300	68,250,200	48,513,500	16,574,900	2,562,800	67,651,200
Debt	...	...	127,700	...	...	...	127,500	
GRAND TOTAL		19,922,200	3,782,500			19,039,300	3,572,100	

Fort William.;
Dept. of Finance and Commerce,
The 15th March 1883.

E. W. Kellner,
Deputy Comptroller General.

IN ENGLAND IN THE THREE DIVISIONS, IMPERIAL, PROVINCIAL, AND LOCAL.

EXPENDITURE.	Revised Estimates, 1882-83.				Budget Estimates, 1883-84.			
	Imperial.	Provincial.	Local.	Total.	Imperial.	Provincial.	Local.	Total.
	£	£	£	£	£	£	£	£
1.—Interest	5,785,900	724,400	...	6,510,300	5,733,600	775,800	...	6,509,400
2.—Interest, Other Accounts	458,600	...	3,800	462,400	436,700	...	3,700	440,400
3.—Refunds and Drawbacks	197,600	287,900	26,500	512,000	162,800	148,700	10,700	322,200
4.—Land Revenue	260,400	2,462,300	333,200	3,055,900	281,300	2,591,300	339,100	3,211,700
5.—Forest	267,700	319,000	...	586,700	302,400	374,100	...	676,500
6.—Excise	47,500	47,400	800	95,700	47,000	46,600	800	94,400
7.—Assessed Taxes	6,900	6,900	...	13,800	7,000	7,000	...	14,000
8.—Provincial Rates	...	4,700	46,200	50,900	...	4,700	46,400	51,100
9.—Customs	...	156,600	...	156,600	...	143,700	...	143,700
10.—Salt	442,000	57,400	...	499,400	482,400	63,900	...	546,300
11.—Opium	2,344,900	...	...	2,344,900	2,165,300	...	...	2,165,300
12.—Stamps	67,400	53,500	...	120,900	48,500	54,500	...	103,000
13.—Registration	92,700	92,100	...	184,800	93,400	92,900	...	186,300
14.—Mint	88,800	...	...	88,800	75,400	...	...	75,400
15.—Post Office	1,087,200	37,100	62,400	1,186,700	1,118,000	37,200	67,600	1,222,800
16.—Telegraph	655,500	1,200	...	656,700	741,200	400	...	741,600
17.—Administration	851,100	702,000	24,600	1,577,700	831,500	697,700	25,700	1,554,900
18.—Minor Departments	278,000	153,100	35,500	466,600	283,200	174,100	38,300	495,600
19.—Law and Justice	164,300	3,064,900	100	3,229,300	163,500	3,139,800	100	3,303,400
20.—Police	84,400	2,273,100	270,200	2,627,700	76,400	2,342,400	286,800	2,705,600
21.—Marine	409,300	136,200	...	545,500	366,200	148,900	...	515,100
22.—Education	9,800	732,600	391,200	1,133,600	9,500	753,500	436,300	1,199,300
23.—Ecclesiastical	163,600	...	...	163,600	167,600	...	...	167,600
24.—Medical	21,100	530,800	144,500	696,400	22,000	541,700	157,600	721,300
25.—Stationery and Printing	145,000	346,500	2,600	494,100	109,100	349,400	3,400	461,900
26.—Political	510,300	700	400	511,400	441,600	700	100	442,400
27.—Allowances	1,233,000	696,700	...	1,929,700	1,291,000	698,500	...	1,989,500
28.—C. F. & A. Allowances	216,500	...	...	216,500	226,500	...	...	226,500
29. Superannuation	1,649,300	516,600	700	2,166,600	1,647,000	523,500	700	2,171,200
30.—Miscellaneous	67,600	112,000	81,600	261,200	66,800	131,500	88,900	287,200
31.—Famine Relief and Insurance—								
Relief	...	25,600	...	25,600	...	12,500	...	12,500
Protective Works	144,200	...	...	144,200	1,355,800	...	...	1,355,800
Reduction of Debt	1,330,200	...	...	1,330,200	131,700	...	...	131,700
32.—Railways	6,654,500	774,900	...	7,429,400	6,691,400	857,100	...	7,548,500
Subsidized Railways	70,200	500	...	70,700	84,600	16,300	...	100,900
Frontier Railways	281,500	...	...	281,500	67,500	...	...	67,500
South Mahratta	33,100	...	...	33,100	84,800	...	...	84,800
33.—Irrigation and Navigation	780,100	681,800	9,400	1,471,300	738,800	603,200	11,300	1,353,300
34.—Other Public Works	1,603,600	2,258,200	1,560,400	5,422,200	1,515,800	2,057,600	1,730,300	5,303,700
35.—Army	16,172,100	...	...	16,172,100	16,064,000	...	...	16,064,000
,, Military Operations in Egypt	1,337,200	...	...	1,337,200	...	...	...	...
36.—Loss by Exchange	3,451,900	...	...	3,451,900	3,925,200	...	...	3,925,200
	49,465,000	17,256,700	2,994,100	69,715,800	48,056,500	17,389,200	3,247,800	68,693,500
37.—Productive Public Works	4,844,400	...	...	4,844,400	3,820,100	...	...	3,820,100
Total	54,309,400	17,256,700	2,994,100	74,560,200	51,876,600	17,389,200	3,247,800	72,513,600
Add—Contributions	...	299,200	110,100	409,300	...	430,800	82,900	513,700
Deduct—Contributions	...	98,100	311,200	409,300	...	72,900	440,800	513,700
Total	54,309,400	17,457,800	2,793,000	74,560,200	51,876,600	17,747,100	2,889,900	72,513,600
Debt Account	...	...	107,700	...	...	...	107,500	
Closing Balance	...	2,464,400	881,800			1,292,200	574,700	
GRAND TOTAL		19,922,200	3,782,500			19,039,300	3,572,100	
Deficits		1,277,700	247,700	1,525,400	...	1,172,200	327,100	1,499,300

J. WESTLAND,
Comptroller General.

D. BARBOUR,
Secretary to the Government of India.

IV.—RECEIPTS AND DISBURSEMENTS AT THE TREASURIES OF

RECEIPTS.	Accounts, 1881-82.	Budget Estimates, 1882-83.	Revised Estimates, 1882-83.	Increase.	Decrease.	Budget Estimates 1883-84.	Budget Estimates, 1883-84, compared with Revised Estimates, 1882-83.	
							Increase.	Decrease.
	£	£	£	£	£.	£	£	£
I.—Imperial revenue	73,993,605	66,459,000	68,250,200	1,791,200	...	67,651,200	...	599,000
II.—Public debt*	5,456,079	1,950,000	9,385,300	7,435,300	...	2,600,000	...	6,785,300
III.—Treasury notes and service funds	1,065,903	1,091,000	1,144,000	53,000	...	1,036,000	...	108,000
IV.—Savings banks' deposits	1,661,191	1,635,000	1,791,800	156,800	...	1,766,100	...	25,700
V.—Political and other excluded funds	730,360	623,000	660,700	37,700	...	619,300	...	41,400
VI.—Provincial and local surplus	1,521,019	...	18,300	18,300	...	14,700	...	3,600
VII.—Deposits and advances	18,482,161	19,646,000	21,641,400	1,995,400	...	18,407,200	...	3,234,200
VIII.—Loans to municipalities, native states, &c.	392,345	210,000	234,700	21,700	...	195,500	...	36,200
IX.—Guaranteed railway capital	2,049,872	2,729,000	4,927,100	2,198,100	...	2,658,600	...	2,268,500
X.—Money orders	5,733,515	5,602,000	6,532,800	930,800	...	6,964,600	431,800	...
XI.—Remittances in India	14,800,297	13,082,000	21,126,000	8,044,000	...	19,754,100	...	1,371,900
XII.—Secretary of State's bills drawn*	18,412,429	15,342,000	15,042,000	...	300,000	16,300,000	1,258,000	...
XIII.—Remittances between India and England	1,874,868	2,070,000	1,717,600	...	352,400	1,763,300	45,700	...
Total	146,173,644	130,439,000	152,468,900	22,029,900	...	139,730,600	...	12,738,300
Balance	17,498,850	17,251,000	17,143,822	...	107,178	16,877,122	...	266,700
GRAND TOTAL	163,672,494	147,690,000	169,612,722	21,922,722	...	156,607,722	...	13,005,000

*The Estimates in this Statement of the amounts to be supplied to the Home Treasury by Bills in 1883-84 are the best that can now
Secretary of State will raise

Abstract of the above showing how the

ACCOUNTS, 1881-82.				REVISED ESTI	
	£		£		£
Treasury notes and service funds	236,606	Deficit of imperial revenue	728,696	Public debt	2,468,900
Savings banks' deposits	98,988			Treasury notes and service funds	296,300
Political and other Excluded Fund	25,611	Public debt	466,636	Savings banks' deposits	410,600
Surplus of provincial and local revenue	1,519,792			Deposits and advances	1,815,600
Loans to municipalities, native states, &c.	195,183	Deposits and advances	1,686,372	Loans to municipalities, native states, &c.	105,200
Money orders	19,375			Guaranteed railway capital	1,092,000
Secretary of state's bills drawn	75,432	Guaranteed railway capital	502,414	Money orders	500
Remittances	858,103			Remittances	307,900
Balance reduced	355,028			Balance reduced	266,700
TOTAL	3,384,118	TOTAL	3,384,118	TOTAL	6,763,700

Fort William;
Dept. of Finance and Commerce,
The 15th March 1883.

E. W. Kellner,
Deputy Comptroller General.

THE GOVERNMENT OF INDIA IN INDIA AND IN ENGLAND.

DISBURSEMENTS.	ACCOUNTS, 1881-82.	BUDGET ESTIMATES, 1882-83.	REVISED ESTIMATES, 1882-83.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1883-84.	BUDGET ESTIMATES, 1883-84, COMPARED WITH REVISED ESTIMATES, 1882-83.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
1.—IMPERIAL EXPENDITURE	74,722,301	69,424,000	73,034,800	3,610,800	...	71,014,300	...	2,020,500
2.—PUBLIC DEBT	5,922,715	3,138,000	6,916,400	3,778,400	...	540,000	...	6,376,400
3.—TREASURY NOTES AND SERVICE FUNDS	829,297	827,000	847,700	20,700	...	792,400	...	55,300
4.—SAVINGS BANKS' DEPOSITS	1,562,203	1,385,000	1,381,200	...	3,800	1,415,300	34,100	...
5.—POLITICAL AND OTHER EXCLUDED FUNDS	704,749	580,000	688,400	108,400	...	620,800	...	67,600
6.—PROVINCIAL AND LOCAL DEFICITS	1,227	1,990,000	1,543,700	...	446,300	1,514,000	...	29,700
7.—DEPOSITS AND ADVANCES	20,168,533	17,849,000	19,825,00	1,976,800	...	17,491,600	...	2,334,200
8.—LOANS TO MUNICIPALITIES, NATIVE STATES, &C.	197,162	125,000	126,500	1,500	...	140,700	14,200	...
9.—GUARANTEED RAILWAY CAPITAL	2,552,286	3,271,000	3,835,100	564,100	...	3,895,300	60,200	...
10.—MONEY ORDERS	5,714,140	5,584,000	6,532,300	948,300	...	6,947,100	414,800	...
11.—REMITTANCES IN INDIA	13,913,485	13,091,000	20,649,700	7,558,700	...	19,817,100	...	832,600
12.—SECRETARY OF STATE'S BILLS PAID	18,336,997	15,342,000	15,468,000	126,000	...	16,300,000	832,000	...
13.—REMITTANCES BETWEEN INDIA AND ENGLAND	1,903,577	2,089,000	1,886,000	...	203,000	2,108,800	222,800	...
TOTAL	146,528,672	134,695,000	152,735,600	18,040,600	...	142,597,400	...	10,138,200
BALANCE	17,143,822	12,995,000	16,877,122	3,882,122	...	14,010,322	...	2,866,800
GRAND TOTAL	163,672,494	147,690,000	169,612,722	21,922,722	...	156,607,722	...	13,005,000

e made; but they are subject to modification as the year goes on; the Government must not be understood to pledge itself that the y Bills the exact amount stated.

Ways and Means are provided.

MATES, 1882-83.		BUDGET ESTIMATES, 1883-84.			
	£		£		£
DEFICIT OF IMPERIAL REVENUE	4,784,600	PUBLIC DEBT	2,060,000	DEFICIT OF IMPERIAL REVENUE	3,363,100
POLITICAL AND OTHER EXCLUDED FUNDS	27,700	TREASURY NOTES AND SERVICE FUNDS	243,600	POLITICAL AND OTHER EXCLUDED FUNDS	1,500
DEFICIT OF PROVINCIAL AND LOCAL REVENUE	1,525 400	SAVINGS BANKS' DEPOSITS	350,800	DEFICIT OF PROVINCIAL AND LOCAL REVENUE	1,499,300
SECRETARY OF STATE'S BILLS PAID	426,000	DEPOSITS AND ADVANCES	915,600	GUARANTEED RAILWAY CAPITAL	1,236,700
		LOANS TO MUNICIPALITIES, NATIVE STATES, &C.	54,800	REMITTANCES	408,500
		MONEY ORDERS	17,500		
		BALANCE REDUCED	2,866,800		
TOTAL	6,763,700	TOTAL	6,509,100	TOTAL	6,509,100

J. WESTLAND,
Comptroller General.

D. BARBOUR,
Secretary to the Government of India.

V.—REVENUE AND EXPENDITURE OF THE *Estimates,*

REVENUE.	Accounts, 1881-82.	Budget Estimates, 1882-83.	Revised Estimates, 1882-83.	Increase.	Decrease.	Budget Estimates, 1883-84.	Budget Estimates, 1883-84, compared with Revised Estimates, 1882-83. Increase.	Decrease.
CIVIL.	£	£	£	£	£	£	£	£
I.—Land Revenue	21,948,022	21,487,000	21,700,400	213,400	...	21,792,700	92,300	...
II.—Tributes	706,873	701,000	709,900	8,900	...	701,000	...	8,900
III.—Forest	872,199	806,900	918,800	111,900	...	933,300	14,500	...
IV.—Excise	3,427,274	3,331,000	3,615,900	284,900	...	3,623,300	7,400	...
V.—Assessed Taxes	536,829	538,000	525,900	...	12,100	523,400	...	2,500
VI.—Provincial Rates	2,895,490	2,649,000	2,668,400	19,400	...	2,688,200	19,800	...
VII.—Customs	2,361,388	1,181,000	1,265,300	84,300	...	1,255,100	...	10,200
VIII.—Salt	7,375,620	6,049,000	6,128,700	79,700	...	6,167,000	38,300	...
IX.—Opium	9,862,444	9,500,000	9,561,800	61,800	...	9,200,000	...	361,800
X.—Stamps	3,381,372	3,342,000	3,411,600	69,600	...	3,427,200	15,600	...
XI.—Registration	284,714	284,000	285,400	1,400	...	280,400	...	5,000
XII.—Mint	70,556	145,000	152,200	7,200	...	102,000	...	50,200
XIII.—Post Office	949,907	967,000	979,600	12,600	...	1,010,900	31,300	...
XIV.—Telegraph	417,421	493,700	446,100	...	47,600	514,100	68,000	...
XV.—Minor Departments	76,469	65,500	82,300	16,800	...	70,000	...	12,300
XVI.—Law and Justice	677,454	659,000	662,000	3,000	...	645,000	...	17,000
XVII.—Police	248,005	248,000	227,200	...	20,800	226,200	...	1,000
XVIII.—Marine	237,863	183,000	211,600	28,600	...	207,100	...	4,500
XIX.—Education	189,292	177,000	199,800	22,800	...	204,900	5,100	...
XX.—Medical	35,509	39,000	46,500	7,500	...	46,600	100	...
XXI.—Stationery & Printing	57,799	59,000	57,600	...	1,400	57,200	...	400
XXII.—Interest	840,434	647,000	664,200	17,200	...	646,000	...	18,200
XXIII.—Superannuation Contributions	250,300	206,800	191,500	...	15,300	193,500	2,000	...
XXIV.—Miscellaneous	380,767	262,000	301,100	39,100	...	260,100	...	41,000
XXV.—Railways—								
Ordinary	...	...	123,100	123,100	...	191,900	68,800	...
Subsidized	...	...	...	...	...	10,600	10,000	...
XXVI.—Irrigation and Navigation	131,239	133,000	131,900	...	1,100	141,300	9,400	...
XXVII.—Other Public Works	580,634	469,000	498,700	29,700	...	503,100	4,400	...
XXVIII.—Army	1,093,444	813,500	913,000	99,500	...	824,800	...	88,200
Military Operations in Afghanistan	354,768	...	*40,000	40,000	...	...	...	40,000
XXIX.—Gain by Exchange	297,799	381,000	336,300	...	44,700	377,200	40,900	...
Total	60,541,885	55,817,400	57,056,800	1,239,400	...	56,823,500	...	233,300
Revenue from Productive Public Works.								
XXV.—Railways—								
State (Gross Earnings)	2,556,542	2,775,800	2,583,000	...	192,800	2,730,500	147,500	...
Guaranteed (Net Traffic Receipts)	3,615,625	3,473,000	3,530,000	57,000	...	3,539,000	9,000	...
East Indian Railway	3,261,481	2,660,000	2,845,000	185,000	...	2,907,000	62,000	...
XXVI.—Irrign. and Navigation—								
Direct Receipts	865,628	843,800	883,300	39,500	...	885,400	2,100	...
Madras Irrigation and Canal Company (Net Traffic Receipts, &c.)	—8,834	—15,000	—5,400	9,600	...	...	5,400	...
I.—Portion of Land Revenue due to Irrigation	491,220	685,000	532,000	...	153,000	545,500	13,500	...
Total	10,781,662	10,422,600	10,367,900	...	54,700	10,607,400	239,500	...
GRAND TOTAL	71,323,547	66,240,000	67,424,700	1,184,700	...	67,430,900	6,200	...

* Expedition to Egypt.

FORT WILLIAM;
DEPT. OF FINANCE AND COMMERCE,
The 15th March 1883.

E. W. KELLNER,
Deputy Comptroller General.

GOVERNMENT OF INDIA IN INDIA.

1883-84.

EXPENDITURE.	Accounts, 1881-82.	Budget Estimates, 1882-83.	Revised Estimates, 1882-83.	Increase.	Decrease.	Budget Estimates, 1883-84.	Budget Estimates, 1883-84, compared with Revised Estimates, 1882-83. Increase.	Decrease.
CIVIL.	£	£	£	£	£	£	£	£
1.—Interest on Debt	1,511,696	1,477,300	1,507,700	30,400	...	1,328,900	...	178,800
2.—Interest, other Accounts	533,278	457,200	460,600	3,400	...	437,400	...	23,200
3.—Refunds and Drawbacks	419,921	511,000	512,000	1,000	...	322,200	...	189,800
4.—Land Revenue	3,003,251	3,167,000	3,055,300	...	111,700	3,210,800	155,500	...
5.—Forest	552,357	575,800	581,400	5,600	...	671,500	90,100	...
6.—Excise	96,883	99,000	95,700	...	3,300	94,400	...	1,300
7.—Assessed Taxes	13,074	15,000	13,800	...	1,200	14,000	200	...
8.—Provincial Rates	53,226	49,000	50,900	1,900	...	51,100	200	...
9.—Customs	195,093	163,000	156,600	...	6,400	143,700	...	12,900
10.—Salt	486,209	639,000	495,400	...	143,600	546,300	50,900	...
11.—Opium	2,056,273	2,249,900	2,343,300	93,400	...	2,164,300	...	179,000
12.—Stamps	77,761	80,000	78,300	...	1,700	79,600	1,300	...
13.—Registration	179,401	186,000	184,800	...	1,200	186,300	1,500	...
14.—Mint	68,509	104,400	81,600	...	22,800	71,200	...	10,400
15.—Post Office	1,051,123	1,069,400	1,085,600	16,200	...	1,120,800	35,200	...
16.—Telegraph	442,087	514,900	506,300	...	8,600	543,600	37,300	...
17.—Administration	1,262,925	1,286,300	1,328,000	41,700	...	1,315,900	...	12,100
18.—Minor Departments	540,400	420,800	440,600	19,800	...	474,800	34,200	...
19.—Law and Justice	3,184,023	3,345,700	3,227,900	...	117,800	3,301,800	73,900	...
20.—Police	2,553,861	2,635,000	2,627,700	...	7,300	2,705,600	77,900	...
21.—Marine	425,584	376,300	354,200	...	22,100	378,400	24,200	...
22.—Education	1,078,161	1,148,600	1,133,200	...	15,400	1,199,000	65,800	...
23.—Ecclesiastical	161,694	162,000	163,200	1,200	...	167,300	4,100	...
24.—Medical	675,717	695,500	688,900	...	6,600	713,800	24,900	...
25.—Stationery and Printing	447,190	309,000	333,600	24,600	...	328,900	...	4,700
26.—Political	623,514	492,700	484,600	...	8,100	415,100	...	69,500
27.—Allowances and Assignts.	1,845,503	1,873,900	1,898,400	24,500	...	1,910,200	11,800	...
28.—Civil Furlo. Allowances.	4,895	4,000	1,500	...	2,500	1,500	...	...
29.—Superannuations	815,187	741,000	777,600	36,600	...	756,200	...	21,400
30.—Miscellaneous	248,136	253,000	233,200	...	19,800	257,200	24,000	...
31.—Famine Relief and Insurance—								
Relief	34,684	...	25,600	25,600	...	12,500	...	13,100
Protective Works	750,000	750,000	144,200	...	605,800	1,355,800	1,211,600	...
Reduction of Debt	715,151	750,000	1,330,200	580,200	...	131,700	...	1,198,500
32.—Railways	247,673	592,000	585,900	...	6,100	695,200	109,300	...
Subsidized Railways	13,226	33,500	57,000	23,500	...	71,300	14,300	...
Southern Mahratta Railways	...	...	33,100	33,100	...	84,800	51,700	...
Frontier Railways	—138,809	120,000	202,500	82,500	...	67,500	...	135,000
33.—Irrigation and Navigation	789,911	973,800	918,600	...	55,200	802,000	...	116,600
34.—Other Public Works	5,017,698	5,280,300	5,334,200	53,900	...	5,201,600	...	132,600
35.—Army	13,218,733	12,103,000	12,202,900	99,900	...	12,018,800	...	184,100
Military Operations in Afghanistan	1,631,924	...	1,219,200	1,219,200	...	...	...	1,219,200
36.—Loss by Exchange	3,854,499	3,156,000	3,451,900	295,900	...	3,925,200	473,300	...
	50,741,622	48,860,300	50,407,200	1,546,900	...	49,278,200	...	1,129,000
Provincial and Local { Surpluses + and Deficits—	1,521,019	...	+18,300	18,300	...	+14,700	...	3,600
	—1,227	—1,990,000	—1,543,700	446,300	...	—1,514,000	...	29,700
Total	52,261,414	46,870,300	48,881,800	2,011,500	...	47,778,900	...	1,102,900
Expenditure on Productive Public Works (Working Expenses and Interest).								
32.—Railways—								
State (Working & Maintenance)	1,686,392	1,741,000	1,532,600	...	208,400	1,572,800	40,200	...
Guaranteed (Interest, Surplus Profits, &c.)	415,034	547,000	576,900	29,900	...	588,500	11,600	...
East Indian Railway	198,164	214,700	247,100	32,400	...	188,400	...	58,700
33.—Irrigation & Navigation—								
Working & Maintenance	455,442	503,000	526,200	23,200	...	549,300	23,100	...
Madras Irrigation & Canal Company (Interest, &c.)	513	—200	...	200	...	...	...	...
1.—Interest on Debt	1,986,173	2,132,000	2,173,900	41,900	...	2,384,200	210,300	...
Total	4,741,718	5,137,500	5,056,700	...	80,800	5,283,200	226,500	...
GRAND TOTAL	57,003,132	52,007,800	53,938,500	1,930,700	...	53,062,100	...	876,400
37.—Productive Public Works								
State Railways	1,195,826	1,318,000	1,302,400	...	15,600	1,583,000	280,600	...
E. I. Railway	455,262	485,000	263,200	...	221,800	424,000	160,800	...
Irrigation and Navigation	565,804	897,000	649,100	...	247,900	955,500	306,400	...
Micellaneous Public Improvements	68,906	...	44,200	44,200	...	23,000	...	21,200
	2,285,798	2,700,000	2,258,900	...	441,100	2,985,500	726,600	...

J. WESTLAND,
Comptroller General.

D. BARBOUR,
Secretary to the Government of India.

VI.—REVENUE AND EXPENDITURE OF THE HOME

Estimates

REVENUE.	Accounts, 1881-82.	Budget Estimates, 1882-83.	Revised. Estimates, 1882-83.	Increase.	Decrease.	Budget Estimates, 1883-84.	Budget Estimates, 1883-84 compared with Revised Estimate, 1882-83.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
III.—Forest	2,236	2,100	2,800	700	...	2,500	...	300
XII.—Mint	28	...	...	...	...	...	...	...
XIV.—Telegraph	51,787	31,300	74,900	43,600	...	43,000	...	31,900
XV.—Minor Departments	44,480	500	2,800	2,300	...	500	...	2,300
XVIII.—Marine	13	...	...	...	...	...	...	...
XX.—Medical	3,998	2,000	2,000	...	...	2,000	...	...
XXI.—Stationery and Printing	12	...	...	...	...	...	...	...
XXII.—Interest	56,470	5,000	23,800	18,800	...	5,000	...	18,800
XXIII.—Superannuation Contributions	105,973	100,200	101,800	1,600	...	99,700	...	2,100
XXIV.—Miscellaneous	15,471	6,000	25,000	19,000	...	8,000	...	17,000
XXV—.—Railways	2,290	1,000	3,700	2,700	...	1,000	...	2,700
XXVII.—Other Public Works	13,636	16,000	14,100	...	1,900	17,400	3,300	...
XXVIII.—Army	68,263	54,500	73,000	18,500	...	41,000	...	32,000
English Contribution for Afghan War	2,305,000	...	500,000*	500,000	...	...	...	500,000
Total	2,669,657	218,600	823,900	605,300	...	220,100	...	603,800
Revenue from Productive Public Works.								
XXV.—Railways (E. I. Railway)	230	200	200	...	...	200	...	...
XXVI.—Irrigation	171	200	1,400	1,200	...	...	...	1,400
	401	400	1,600	1,200	...	200	...	1,400
Total	2,670,058	219,000	825,500	606,500	...	220,300	...	605,200

* Contribution for Egyptian war.

FORT WILLIAM;
DEPT. OF FINANCE AND COMMERCE,
The 15th March 1883.

E. W. KELLNER,
Deputy Comptroller General

TREASURY OF THE GOVERNMENT OF INDIA.

1883-84.

EXPENDITURE.	Accounts, 1881-82.	Budget Estimates, 1882-83.	Revised Estimates, 1882-83.	Increase.	Decrease.	Budget Estimates, 1883-84.	Budget Estimates, 1883-84, compared with Revised Estimates, 1882-83.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
1.—Interest on Debt	2,512,420	2,439,700	2,480,600	40,900	...	2,494,700	14,100	...
2.—Interest, other Accounts	706	1,800	1,800	...	...	3,000	1,200	...
4.—Land Revenue	541	1,000	600	...	400	900	300	...
5.—Forest	5,288	5,200	5,300	100	...	5,000	...	300
6.—Excise	3	...	...	...	...	...	...	...
9.—Customs	17	...	...	...	...	...	...	...
10.—Salt	...	...	4,000	4,900	...	...	...	4,000
11.—Opium	1,062	100	1,600	1,500	...	1,000	...	600
12.—Stamps	32,862	39,000	42,600	3,600	...	23,400	...	19,200
14.—Mint	19,017	3,600	7,200	3,600	...	4,200	...	3,000
15.—Post Office	96,812	103,600	101,100	...	2,500	102,000	900	...
16.—Telegraph	94,114	122,100	150,400	28,300	...	198,000	47,600	...
17.—Administration	231,431	217,700	249,700	32,000	...	239,000	...	10,700
18.—Minor Departments	20,591	21,200	26,000	4,800	...	20,800	...	5,200
19.—Law and Justice	226	1,300	1,400	100	...	1,600	200	...
21.—Marine	197,814	244,700	191,300	...	53,400	136,700	...	54,600
22.—Education	329	400	400	...	...	300	...	100
23.—Ecclesiastical	442	1,000	400	...	600	300	...	100
24.—Medical	7,468	7,500	7,500	...	...	7,500	...	...
25.—Stationery and Printing	118,694	131,000	160,500	29,500	...	133,000	...	27,500
26.—Political	25,832	27,300	26,800	...	500	27,300	500	...
27.—Allowances and Assignments	31,265	65,100	31,300	...	33,800	79,300	48,000	...
28.—Civil Furlough Allowances	217,747	230,000	215,000	...	15,000	225,000	10,000	...
29.—Superannuations	1,367,140	1,360,000	1,389,000	29,000	...	1,415,000	26,000	...
30.—Miscellaneous	44,156	18,000	28,000	10,000	...	30,000	2,000	...
31.—Famine Relief	165	...	...	...	...	...	...	...
32.—Railways (Frontier Railways)	363,491	103,000	79,000	...	24,000	...	...	79,000
Subsidized Railways	4,301	16,500	13,700	...	2,800	29,600	15,900	...
33.—Irrigation	22	200	1,300	1,100	...	2,000	700	...
34.—Other Public Works	96,018	90,700	88,000	...	2,700	102,100	14,100	...
35.—Army	3,997,482	4,025,000	3,969,200	...	55,800	4,045,200	76,000	...
Military Operations in Afghanistan	13,003	...	...	...	...	...	...	...
Military Operations in Egypt	...	...	118,000	118,000	...	...	...	118,000
Total	9,500,459	9,276,700	9,391,700	115,000	...	9,326,900	...	64,800
Expenditure on Productive Public Works.								
1.—Interest	352,852	342,000	348,100	6,100	...	301,600	...	46,500
32.—Railways (Guaranteed)	3,314,796	3,278,000	3,294,500	16,500	...	3,296,000	1,500	...
E. I. Railway	1,239,446	1,219,300	1,217,400	...	1,900	1,207,600	...	9,800
33.—Irrigation (Madras Irrigation and Canal Company)	193	50,200	200	...	50,000	...	...	200
	4,907,287	4,889,500	4,860,200	...	29,300	4,805,200	...	55,000
Total	14,407,746	14,166,200	14,251,900	85,700	...	14,132,100	...	119,800
37.—Productive Public Works—								
State Railways	439,325	550,000	372,000	...	178,000	812,000	440,000	...
Do., do. E. I. Railways	586,300	...	450,000	450,000	...	...	...	450,000
Irrigation and Navigation	...	...	1,763,500	1,763,500	...	22,600	...	1,740,900
Total, Productive Public Works, Capital	1,025,625	550,000	2,585,500	2,035,500	...	834,600	...	1,750,900

J. WESTLAND,
Comptroller General.

D. BARBOUR,
Secretary to the Government of India.

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VII.—RECEIPTS AND DISBURSEMENTS AT THE TREASURIES OF

RECEIPTS.	Accounts, 1881-82.	Budget Estimates, 1882-83.	Revised Estimates, 1882-83.	Increase.	Decrease.	Budget Estimates, 1883-84.	Budget Estimates, 1883-84, compared with Revised Estimates, 1882-83.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
I.—Imperial Revenue	71,323,547	66,240,000	67,424,700	1,184,700	...	67,430,900	6,200	...
II.—Public Debt*	3,000,432	...	2,685,300	2,685,300	...	2,600,000	...	85,300
III.—Treasury Notes and Service Funds	1,061,868	1,087,000	1,140,000	53,000	...	1,031,900	...	108,100
IV.—Savings Banks' Deposits	1,661,191	1,635,000	1,791,800	156,800	...	1,766,100	...	25,700
V.—Political and other Excluded Funds	730,360	623,000	660,700	37,700	...	619,300	...	41,400
VI.—Provincial and Local Surplus	1,521,019	...	18,300	18,300	...	14,700	...	3,600
VII.—Deposits and Advances	18,459,663	19,143,000	21,136,500	1,993,500	...	17,904,200	...	3,232,300
VIII.—Loans to Municipalities, Native States, &c.	392,345	210,000	231,700	21,700	...	195,500	...	36,200
IX.—Guaranteed Railway Capital	1,452,956	1,674,900	1,742,900	68,900	...	1,678,600	...	64,300
X.—*Money Orders*	5,733,515	5,602,000	6,532,800	930,800	...	6,964,600	431,800	...
XI.—Remittances in India	14,800,297	13,082,000	21,126,000	8,044,000	...	19,754,100	...	1,371,900
XII.—Remittances between India and England	1,551,109	1,722,000	1,330,300	...	391,700	1,440,800	110,500	...
Total	121,688,392	111,018,000	125,821,000	14,803,000	...	121,400,700	...	4,420,300
Balance	13,371,101	14,199,651	14,522,913	323,262	...	13,840,013	...	682,900
GRAND TOTAL	135,059,493	125,217,651	140,343,913	15,126,262	...	135,240,713	...	5,103,200

* The Estimates in this Statement of the amounts to be supplied to the Home Treasury by Bills in 1883-84 are the best that can no
Secretary of State will rais

Abstract of the above showing how th

ACCOUNTS, 1881-82.				REVISED EST	
	£		£		£
Surplus of Imperial Revenue	12,034,617	Secretary of State's Bills paid	18,336,997	Surplus of Imperial Revenue	11,227,300
Public Debt	2,795,045			Public Debt	2,042,300
Treasury Notes and Service Funds	233,129			Treasury Notes and Service Funds	292,900
Savings Banks' Deposits	98,988			Savings Banks' Deposits	419,600
Political and other Excluded Funds	25,611	Balance increased	1,151,812	Deposits and Advances	1,315,600
Surplus of Provincial and Local Revenue	1,519,792			Loans to Municipalities, Native States, &c.	105,200
Deposits and Advances	111,702			Money Orders	500
Loans to Municipalities, Native States, &c.	195,183			Remittances	1,394,800
Money Orders	19,375			Balance reduced	682,900
Secretary of State's Bills drawn					
Remittances	2,105,252				
Guaranteed Railway Capital	350,115				
TOTAL	19,488,809	TOTAL	19,488,809	TOTAL	17,472,100

Fort William;
Dept. of Finance and Commerce,
The 15th March 1883.

E. W. Kellner,
Deputy Comptroller General.

'HE GOVERNMENT OF INDIA IN INDIA.

DISBURSEMENTS.	ACCOUNTS, 1881-82.	BUDGET ESTIMATES, 1882-83.	REVISED ESTIMATES, 1882-83.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1883-84.	BUDGET ESTIMATE, 1883-84, COMPARED WITH REVISED ESTIMATES, 1882-83.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
1.—IMPERIAL EXPENDITURE .	59,288,930	54,707,800	56,197,400	1,489,600	...	56,047,600	...	149,800
2.—PUBLIC DEBT . . .	205,387	590,000	643,000	53,000	...	30,000	...	613,000
3.—TREASURY NOTES AND SERVICE FUNDS . . .	828,739	826,500	847,100	20,600	...	791,700	...	55,400
4.—SAVING BANKS' DEPOSITS .	1,562,203	1,385,000	1,381,200	...	3,800	1,415,300	34,100	...
5.—POLITICAL AND OTHER EXCLUDED FUNDS . .	704,749	580,000	688,400	108,400	...	620,800	...	67,600
6.—PROVINCIAL AND LOCAL DEFICITS . . .	1,227	1,990,000	1,543,700	...	446,300	1,514,000	...	29,700
7.—DEPOSITS AND ADVANCES .	18,347,961	17,846,000	19,820,900	1,974,900	...	17,488,600	...	2,332,300
8.—LOANS TO MUNICIPALITIES, NATIVE STATES, &C. .	197,162	125,000	126,500	1,500	...	140,700	14,200	...
9.—GUARANTEED RAILWAY CAPITAL	1,102,841	1,901,000	2,193,900	292,900	...	2,083,300	...	110,600
10.—MONEY ORDERS . . .	5,714,140	5,584,000	6,532,300	948,300	...	6,947,100	414,800	...
11.—REMITTANCES IN INDIA .	13,913,485	13,091,000	20,649,700	7,558,700	...	19,817,100	...	832,600
12.—SECRETARY OF STATE'S BILLS PAID	18,336,997	15,342,000	15,468,000	126,000	...	16,300,000	832,000	...
13.—REMITTANCES BETWEEN INDIA AND ENGLAND . .	332,669	401,000	411,800	10,800	...	347,800	...	64,000
TOTAL .	120,536,490	114,369,300	126,503,900	12,134,600	...	123,544,000	...	2,959,900
BALANCE . .	14,522,913	10,848,351	13,840,013	2,991,662	...	11,696,713	...	2,143,300
GRAND TOTAL .	135,059,403	125,217,651	140,343,913	15,126,262	...	135,240,713	...	5,103,200

)e made; but they are subject to modification as the year goes on; the Government must not be understood to pledge itself that the)y Bills the exact amount stated.

Ways and Means are provided.

MATES, 1882-83.		BUDGET ESTIMATES, 1883-84.			
	£		£		£
POLITICAL AND OTHER EXCLUDED FUNDS . .	27,700	SURPLUS OF IMPERIAL REVENUE	11,383,300	POLITICAL AND OTHER EXCLUDED FUNDS . .	1,500
DEPOSITS AND ADVANCES .		PUBLIC DEBT . . .	2,570,000	DEFICIT OF PROVINCIAL AND LOCAL REVENUE .	1,499,300
DEFICIT OF PROVINCIAL AND LOCAL REVENUE . .	1,525,400	TREASURY NOTES AND SERVICE FUNDS . . .	240,200	GUARANTEED RAILWAY CAPITAL	404,700
GUARANTEED RAILWAY CAPITAL	451,000	SAVINGS BANKS' DEPOSITS .	350,800	SECRETARY OF STATE'S BILLS PAID . . .	16,300,000
SECRETARY OF STATE'S BILLS PAID	15,468,000	DEPOSITS AND ADVANCES .	415,600		
		LOANS TO MUNICIPALITIES, NATIVE STATES, &C. . .	54,800		
		REMITTANCES . . .	1,030,000		
		MONEY ORDERS . . .	17,500		
		BALANCE REDUCED . .	2,143,300		
TOTAL .	17,472,100	TOTAL .	18,205,500	TOTAL .	18,205,500

J. WESTLAND,
Comptroller General.

D. BARBOUR,
Secretary to the Government of India.

VIII.—RECEIPTS AND DISBURSEMENTS AT THE HOME

RECEIPTS.	Accounts, 1881-82.	Budget Estimates, 1882-83.	Revised Estimates, 1882-83.	Increase.	Decrease.	Budget Estimates, 1883-84.	Budget Estimates, 1883-84, compared with the Revised Estimates, 1882-83.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
I.—Public revenue . . .	2,670,058	219,000	825,500	606,500	...	220,300	...	605,200
II.—Public debt* . . .	2,455,647	1,950,000	6,700,000	4,750,000	...	...	...	6,700,000
III.—Service funds . . .	4,035	4,000	4,000	...	...	4,100	100	...
VI.—Deposits and advances .	22,498	503,000	504,900	1,900	...	503,000	...	1,900
IX.—Guaranteed railway capital	596,916	1,055,000	3,184,200	2,129,200	...	980,000	...	2,204,200
XII.—Secretary of State's bills drawn	18,412,429	15,342,000	15,042,000	...	300,000	16,300,000	1,258,000	...
XIII.—Remittances between India and England . . .	323,759	348,000	387,300	39,300	...	322,500	...	64,800
Total .	24,485,342	19,421,000	26,647,900	7,226,900	...	18,329,900	...	8,318,000
Balance	4,127,749	3,051,349	2,620,909	...	430,440	3,037,109	416,200	...
GRAND TOTAL .	28,613,091	22,472,349	29,268,809	6,796,460	...	21,367,009	...	7,901,800

*The Estimates in this Statement of the amount to be supplied to the Home Treasury by bills in 1883-84 and of the Debt transactions are the that the Secretary of State will raise by Bills the exact amount stated,

Abstract of the above showing how the

ACCOUNTS, 1881-82.				REVISED ESTI	
	£		£		£
Service Funds . . .	3,476	Deficit of revenue .	12,763,313	Service funds . . .	3,400
Secretary of State's bills drawn	18,412,429	Net public debt . .	3,261,680	Net public debt . .	426,600
Balance reduced . .	1,506,840	Net deposits and advances	1,798,074	Net deposits and advances . . .	500,000
				Guaranteed railway capital	1,543,000
		Net guaranteed railway capital . . .	852,529	Secretary of State's bills drawn	15,042,000
		Net remittances between India and England .	1,247,149		
TOTAL .	19,922,745	TOTAL .	19,922,745	TOTAL .	17,515,000

Fort William;
Dept. of Finance and Commerce,
The 15th March 1883.

E. W. Kellner,
Deputy Comptroller General.

TREASURY OF THE GOVERNMENT OF INDIA.

DISBURSEMENTS.	ACCOUNTS, 1881-82.	BUDGET ESTIMATES, 1882-83.	REVISED ESTIMATES, 1882-83.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1883-84.	BUDGET ESTIMATES, 1883-84, COMPARED WITH THE REVISED ESTIMATES, 1882-83.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
1.—PUBLIC EXPENDITURE . .	15,433,371	14,716,200	16,837,400	2,121,200	...	14,966,700	...	1,870,700
2.—PUBLIC DEBT	5,717,328	2,548,000	6,273,400	3,725,400	...	510,000	...	5,763,400
3.—SERVICE FUNDS . . .	558	500	600	100	...	700	100	...
7.—DEPOSITS AND ADVANCES . .	1,820,572	3,000	4,900	1,900	...	3,000	...	1,900
9.—GUARANTEED RAILWAY CAPITAL .	1,449,445	1,370,000	1,641,200	271,200	...	1,812,000	170,800	...
13.—REMITTANCES BETWEEN INDIA AND ENGLAND . . .	1,570,908	1,688,000	1,474,200	...	213,800	1,761,000	286,800	...
TOTAL .	25,992,182	20,325,700	26,231,700	5,906,000	...	19,053,400	...	7,178,300
BALANCE	2,620,909	2,146,649	3,937,109	890,460	...	2,313,609	...	723,500
GRAND TOTAL .	28,613,091	22,472,349	29,268,809	6,796,460	...	21,367,009	...	7,901,800

best that can now be made; but they are subject to modification as the year goes on; the Government must not be understood to pledge itself or that the debt transactions will be carried out as estimated.

Ways and Means are provided.

MATES, 1882-83.		BUDGET ESTIMATES, 1883-84.			
	£		£		£
DEFICIT OF REVENUE . .	16,011,900	SERVICE FUNDS . .	3,400	DEFICIT OF REVENUE .	14,746,400
		NET DEPOSITS AND ADVANCES	500,000	NET PUBLIC DEBT . .	510,000
NET MISCELLANEOUS REMITTANCES BETWEEN INDIA AND ENGLAND	1,086,900	SECRETARY OF STATE'S BILLS DRAWN . . .	16,300,000	GUARANTEED RAILWAY CAPITAL . . .	832,000
				NET MISCELLANEOUS REMITTANCES BETWEEN INDIA AND ENGLAND .	1,438,500
BALANCE INCREASED . .	416,200	BALANCE REDUCED .	723,500		
TOTAL .	17,515,000	TOTAL .	17,526,900	TOTAL .	17,526,900

J. WESTLAND,
Comptroller General.

D. BARBOUR,
Secretary to the Government of India.

IX.—CLOSING BALANCES OF THE PROVINCIAL GOVERNMENTS.

	Actuals, 1881-82.			Regular Estimate, 1882-83.			Budget Estimate, 1883-84.		
	Provincial.	Local.	Total.	Provincial.	Local.	Total.	Provincial.	Local.	Total.
	£	£	£	£	£	£	£	£	£
India, General	...	5,364	5,364	...	3,100	3,100	...	900	900
Central Provinces	161,603	37,151	198,754	186,400	30,700	217,100	207,000	24,800	231,800
British Burma	350,962	90,523	441,485	246,700	56,300	303,000	14,200	2,600	16,800
Assam	103,590	...	103,590	92,300	...	92,300	50,300	...	50,300
Bengal	754,301	159,609	913,910	248,400	130,400	378,800	67,800	38,600	106,400
N. W. Provinces and Oudh	1,334,174	23,451	1,357,625	980,900	...	980,900	246,200	...	246,200
Punjab	296,293	113,560	409,853	196,200	121,000	317,200	173,300	122,100	295,400
Madras	174,337	513,922	688,259	254,500	415,000	669,500	232,500	313,600	546,100
Bombay	566,786	165,917	732,703	259,000	125,300	384,300	300,900	72,100	373,000
Total	3,742,046	1,109,497	4,851,543	2,464,400	881,800	3,346,200	1,292,200	574,700	1,866,900

Fort William;
Dept. of Finance and Commerce,
The 15th March 1883.

E. W. KELLNER,
Deputy Comptroller General.

J. WESTLAND,
Comptroller General.

D. BARBOUR,
Secretary to the Government of India.

X.—STATEMENT SHOWING THE NET REVENUE AND EXPENDITURE OF INDIA.

In thousands of Conventional £

REVENUE.	1881-82. Actuals.	1882-83. Budget.	1882-83. Revised.	1883-84. Budget.
	£	£	£	£
Land Revenue	18,944	18,319	18,645	18,581
Assessed Taxes	524	523	512	509
Customs	2,166	1,018	1,109	1,111
Salt	6,890	5,410	5,629	5,621
Opium	7,805	7,250	7,217	7,035
Excise	3,330	3,232	3,520	3,529
Stamps	3,271	3,223	3,291	3,324
Registration	105	98	101	94
Forest	317	228	335	259
Tributes and Contributions, Mint and Miscellaneous, less Refunds and Drawbacks	374	224	326	386
Provincial Rates	2,842	2,600	2,617	2,637
Provincial and Local Adjustments, Ordinary	—1,520	1,990	1,525	1,499
TOTAL NET REVENUE	45,048	44,115	44,827	44,585

EXPENDITURE.			1881-82. Actuals.	1882-83. Budget.	1882-83. Revised.	1883-84. Budget.
			£	£	£	£
Administration			1,494	1,504	1,578	1,555
Law and Justice			2,507	2,688	2,567	2,658
Police			2,306	2,387	2,400	2,479
Education			889	972	934	994
Ecclesiastical			162	163	164	168
Minor Departments, Marine, Medical, Stationery and Printing— Post Office and Telegraph			2,242	2,175	2,143	2,207
Political, and Allowances, &c., under Treaties			2,526	2,459	2,441	2,432
Furlough and Superannuation, &c., Allowances			2,049	2,028	2,090	2,104
ARMY—						
Ordinary			16,054	15,260	15,186	15,198
	Actuals, 1881-82.	Revised final.				
War and Frontier Railways	1,515	1,578				
English Contribution for Afghan War	2,305	...	—790	...	1,078	...
Do. for War in Egypt	...	500				
Famine Relief and Insurance			1,500	1,500	1,500	1,500
Interest, exclusive of that for Productive Public Works			3,661	3,724	3,762	3,613
Loss by Exchange			3,557	2,775	3,116	3,548
Public Works, Ordinary			5,441	6,591†	6,260	6,191†
			43,598	44,226	45,219	44,647
PRODUCTIVE PUBLIC WORKS—						
	Actuals, 1881-82.	Budget Estimate, 1882-83.	Revised Estimate, 1882-83.	Budget Estimate, 1883-84.		
+Land & other Receipts	10,276	9,870	9,818	10,058	—1,133	—396	—452	—519
—Interest and charges	9,143	9,474	9,366	9,539				
TOTAL NET EXPENDITURE					42,465	43,830	44,767	44,128
Surplus					2,583	285	60	457
TOTAL					45,048	44,115	44,827	44,585

N. B.—The figures of this Statement are not the same as those of the Net Statement in the New Form (page 65), as the two statements are not made up in precisely the same manner.

† Includes 223 in Budget 1882-83 and 67 in 1883-84 for Frontier Railways.

FORT WILLIAM;
DEPT. OF FINANCE AND COMMERCE,
The 15th March 1883.

E. W. KELLNER,
Deputy Comptroller General.

J. WESTLAND,
Comptroller General.

D. BARBOUR,
Secretary to the Government of India.

APPENDIX III.

ACCOUNTS AND ESTIMATES.

(NEW CLASSIFICATION.)

Accounts . .	1871-72 to 1881-82.
Estimates . .	1882-83 & 1883-84.

CONTENTS.

	Pages
General Statement	88 & 89
Details of Revenue	90 & 91
Details of Expenditure	92—95

N.B.—The Provincial and Local Revenue and Expenditure are incorporated in these figures. In the actual accounts they were not incorporated till 1877-78, being represented only by a net entry against "Provincial Services."

General Statement of Revenue and

	1871-72.	1872-73.	1873-74.	1874-75.	1875-76.
Revenue—	£	£	£	£	£
Principal Heads of Revenue—					
Land Revenue	20,531,719	21,375,076	21,060,274	21,332,176	21,540,480
Opium	9,253,859	8,684,691	8,324,879	8,556,629	8,471,425
Salt	5,967,619	6,167,032	6,152,977	6,229,396	6,245,555
Stamps	2,476,333	2,610,025	2,699,936	2,758,042	2,835,368
Excise	2,370,501	2,324,915	2,287,680	2,347,274	2,494,339
Other Heads	6,487,647	6,660,177	6,095,900	6,083,870	6,297,705
TOTAL PRINCIPAL HEADS	47,087,678	47,821,916	46,621,646	47,307,387	47,884,872
Post Office, Telegraph, and Mint	1,145,521	884,650	1,005,641	1,185,319	1,185,280
Receipts by Civil Departments	1,295,071	1,240,808	1,314,381	1,332,733	1,288,369
Miscellaneous	1,776,034	1,798,903	2,305,285	2,749,672	3,032,305
Revenue from Productive Public Works	3,567,947	3,288,171	4,116,636	4,764,850	5,047,543
Receipts on account of Public Works not classed as Productive	635,557	609,728	675,661	588,161	602,975
Receipts by Military Departments	944,420	906,810	1,011,039	988,838	1,045,612
TOTAL REVENUE	56,452,228	56,550,986	57,050,309	58,916,960	60,086,956
Expenditure—					
Interest	5,966,299	5,857,458	5,789,821	5,412,181	5,564,515
Direct Demands on the Revenues	6,957,413	7,336,398	7,503,649	7,947,683	7,978,278
Post Office, Telegraph, and Mint	1,270,888	1,335,027	1,372,646	1,449,104	1,501,634
Salaries and Expenses of Civil Depts.	9,565,175	9,695,291	9,879,157	10,218,677	10,480,423
Miscellaneous Civil Charges	3,176,603	3,538,240	3,754,095	3,528,206	4,056,975
Famine Relief and Insurance	...	...	3,864,706	2,242,922	601,966
Expenditure on Productive Public Works (Revenue Account).	4,956,994	5,450,953	5,547,790	5,837,913	5,732,115
Expenditure on Public Works not classed as Productive	4,832,340	4,885,628	5,500,302	5,961,122	6,272,465
Army Services	15,678,112	15,503,612	15,228,429	15,375,159	15,308,460
Exchange on Transactions with London	433,095	694,846	882,718	785,820	1,355,861
TOTAL	52,836,919	54,297,453	59,323,313	58,758,787	58,852,692
Add—					
Provincial Surpluses, that is, Allotments to Provincial Governments, unspent by them	491,132	487,861	8,196	89,538	10,065
Deduct—					
Provincial Deficits, that is, Portion of Provincial Expenditure defrayed from Provincial Balances	...	...	—473,532	—250,382	—444,746
TOTAL EXPENDITURE CHARGED AGAINST REVENUE	53,328,051	54,785,314	58,857,977	58,597,943	58,418,011
Surplus (+) or deficit (—) on Revenue Account	+3,124,177	+1,765,672	—1,807,668	+319,017	+1,668,945
Expenditure on Productive Public Works, Capital Account	1,628,474	2,184,569	3,553,307	4,249,571	4,270,629

FORT WILLIAM;
DEPT. OF FINANCE AND COMMERCE,
The 15th March 1883.

E. W. KELLNER,
Deputy Comptroller General

Expenditure, 1871-72 to 1883-84.

1876-77.	1877-78.	1878-79.	1879-80.	1880-81.	1881-82.	Revised Estimate, 1882-83.	Budget Estimate, 1883-84.
£	£	£	£	£	£	£	£
19,891,491	20,047,514	22,323,868	21,861,150	21,112,995	21,948,022	21,700,400	21,792,700
9,122,460	9,182,722	9,399,401	10,319,162	10,480,051	9,862,444	9,561,800	9,200,000
6,305,869	6,461,225	6,941,120	7,266,413	7,115,988	7,375,620	6,128,700	6,167,000
2,838,628	2,993,483	3,110,540	3,193,739	3,250,581	3,381,372	3,411,600	3,427,200
2,523,986	2,458,029	2,619,349	2,838,021	3,135,226	3,427,274	3,615,900	3,623,300
5,939,963	6,569,721	7,441,770	7,596,160	7,607,461	7,659,729	6,376,500	6,383,900
46,622,397	47,712,694	51,836,048	53,074,645	52,702,302	53,654 461	50,794,900	50,594,100
1,397,546	1,652,720	1,510,835	1,740,493	1,647,305	1,489,699	1,652,800	1,670,000
1,298,731	1,397,945	1,385,568	1,439,771	1,468,150	1,513,083	1,434,200	1,402,300
1,818,728	1,699,558	1,691,165	1,666,580	1,985,882	1,707,226	1,365,000	1,269,500
6,004,706	7,669,767	6,927,224	8,446,704	9,381,786	10,782,063	10,369,500	10,607,600
659,077	920,131	739,695	696,133	745,221	727,799	771,500	864,700
925,473	869,981	974,781	1,079,982	4,221,734	3,821,475	1,526,000	865,800
58,726,658	**61,922,796**	**65,065,316**	**68,144,308**	**72,152,380**	**73,695,806**	**67,913,900**	**67,274,000**
4,907,443	5,031,136	4,954,021	4,972,944	4,083,168	4,558,100	4,450,500	4,264,000
8,498,949	8,390,633	7,614,921	7,964,595	8,168,987	8,220,111	8,735,500	8,634,300
1,522,464	1,557,306	1,608,108	1,691,326	1,765,957	1,771,662	1,932,200	2,039,800
10,530,339	10,373,610	10,359,391	10,379,383	10,567,617	11,038,504	11,000,900	11,153,600
3,767,361	3,771,811	3,796,550	3,871,018	3,823,194	4,044,532	3,905,100	3,968,100
2,145,431	5,345,985	313,420	103,990	34,469	1,500,000	1,500,000	1,500,000
6,764,784	7,374,812	8,174,923	8,724,361	9,259,437	9,649,005	9,917,100	10,088,400
5,046,302	5,058,105	5,176,012	6,367,076	7,392,718	6,393,531	7,313,300	7,056,100
15,792,142	16,639,761	17,092,488	21,712,862	28,086,202	18,861,142	17,509,300	16,064,000
2,059,311	1,554,922	3,225,831	2,926,403	2,716,809	3,556,700	3,115,600	3,548,000
61,034,496	65,098,081	62,315,665	68,713,958	75,898,558	69,593,287	69,379,500	68,316,300
238,961	393,458	716,378	633,077	352,620	1,521,019	18,300	14,700
—364,021	—25,656	—973	—19,778	—54,659	—1,227	—1,543,700	—1,514,000
60,909,436	**65,465,883**	**63,031,070**	**69,327,257**	**76,196,519**	**71,113,079**	**67,854,100**	**66,817,000**
—2,182,778	—3,543,087	+2,034,246	—1,182,949	—4,044,139	+2,582,727	+59,800	+457,000
3,809,284	4,791,052	4,381,898	13,095,192	3,656,505	3,311,423	4,844,400	3,820,100

J. WESTLAND,
Comptroller General.

D. BARBOUR,
Secretary to the Government of Im

Details of Revenue

	1871-72.	1872-73.	1873-74.	1874-75.	1875-76.
	£	£	£	£	£
Principal Heads of Revenue—					
I.—Land Revenue	20,531,719	21,375,076	21,060,274	21,332,176	21,540,480
II.—Opium	9,253,859	8,684,691	8,324,879	8,556,629	8,471,425
III.—Salt	5,967,619	6,167,032	6,152,977	6,229,396	6,245,555
IV.—Stamps	2,476,333	2,610,025	2,699,936	2,758,042	2,835,368
V.—Excise	2,370,501	2,324,915	2,287,680	2,347,274	2,494,339
VI.—Provincial Rates	1,636,635	1,893,398	1,834,532	1,872,938	1,947,255
VII.—Customs	2,579,437	2,657,878	2,636,450	2,682,233	2,724,426
VIII.—Assessed Taxes	851,917	601,473	34,483	20,191	14,642
IX.—Forest	517,664	588,002	639,513	598,367	697,543
X.—Registration	157,958	177,961	182,378	185,169	187,651
XI.—Tributes from Native States	744,036	741,465	768,544	724,972	726,188
TOTAL	47,087,678	47,821,916	46,621,646	47,307,387	47,884,872
Post Office, Telegraph, and Mint—					
XII.—Post Office	821,003	580,587	688,459	739,819	765,751
XIII.—Telegraph	228,368	249,802	250,638	286,479	309,040
XIV.—Mint	96,150	54,261	66,544	159,021	110,489
TOTAL	1,145,521	884,650	1,005,641	1,185,319	1,185,280
Receipts by Civil Departments—					
XV.—Law and Justice	558,682	594,695	626,837	606,876	593,805
XVI.—Police	350,185	235,757	238,538	207,980	234,736
XVII.—Marine	196,894	208,943	236,332	302,067	230,432
XVIII.—Education	157,333	148,390	150,806	141,431	147,140
XXIV.—Medical	22,943	32,088	38,344	45,575	34,694
XX.—Scientific and other Minor Depts.	9,034	20,935	23,524	28,804	47,562
TOTAL	1,295,071	1,240,808	1,314,381	1,332,733	1,288,369
Miscellaneous—					
XXI.—Interest	371,477	519,081	467,509	559,416	578,223
XXII.—Receipts in aid of Superans., &c.	685,503	590,436	701,581	702,881	752,671
XXIII.—Stationery and Printing	17,259	31,732	54,938	49,484	59,135
XXIV.—Miscellaneous	701,795	657,654	1,081,257	1,437,891	1,642,276
TOTAL	1,776,034	1,798,903	2,305,285	2,749,672	3,032,305
Revenue from Productive Public Works—					
XXV.—State Railways (Gross Earnings)	3,766	16,533	39,914	164,865	293,393
XXVI.—Guaranteed and Subsidized Railways (Net Traffic Receipts)	1,584,971	1,207,859	1,591,894	1,959,659	2,452,481
XXVII.—E. I. Ry. (Net Traffic Receipts)	1,607,293	1,656,077	2,024,527	2,171,905	1,807,729
XXVIII.—Irrign. & Navign. (Direct Receipts)	380,122	414,287	470,956	475,455	511,705
XXIX.—Madras Irrigation and Canal Company (Net Traffic Receipts)	—8,205	—6,585	—10,635	—7,034	—17,765
XXX.—Portion of Land Revenue due to Irrigation *(a)*	...	...	...	...	...
TOTAL	3,567,947	3,288,171	4,116,656	4,764,850	5,047,543
Receipts on account of Public Works not classed as Productive—					
XXXI.—State Railways	...	...	...	...	...
XXXII.—Subsidized Railways	...	...	...	...	...
XXXIII.—Irrigation and Navigation	98,811	68,523	71,736	60,963	81,069
XXXIV.—Military Works *(b)*	...	16,939	17,303	16,675	16,478
XXXV.—Civil Buildings, Roads, and Services	536,746	524,266	586,622	510,523	505,428
TOTAL	635,557	609,728	675,661	588,161	602,975
Receipts by Military Departments—					
XXXVI.—Army	944,420	906,810	1,011,039	988,838	1,045,612
XXXVII.—Mily. Oprtns. in Afghanistan & Egypt	...	...	...	...	...
TOTAL	944,420	906,810	1,011,039	988,838	1,045,612
TOTAL REVENUES	56,452,228	56,550,986	57,050,309	58,916,960	60,086,956

(a) Not separately stated till 1879. *(b)* The figure for 1871-72 is not stated separately fro

FORT WILLIAM;
DEPT. OF FINANCE AND COMMERCE,
The 15th March 1883.

E. W. KELLNER,
Deputy Comptroller General

1871-72 to 1883-84.

1876-77.	1877-78.	1878-79.	1879-80.	1880-81.	1881-82.	Revised Estimate, 1882-83.	Budget Estimate, 1883-84.
£	£	£	£	£	£	£	£
19,891,491	20,047,514	22,323,868	21,861,150	21,112,995	21,948,022	21,700,400	21,792,700
9,122,460	9,182,722	9,399,401	10,319,162	10,480,051	9,862,444	9,561,800	9,200,000
6,305,869	6,461,225	6,941,120	7,266,413	7,115,988	7,375,620	6,128,700	6,167,000
2,838,628	2,993,483	3,110,540	3,193,739	3,250,581	3,381,372	3,411,600	3,427,200
2,523,986	2,458,029	2,619,349	2,838,021	3,135,226	3,427,274	3,615,900	3,623,300
1,930,325	2,255,937	2,638,835	2,882,125	2,776,370	2,895,490	2,668,400	2,688,200
2,484,448	2,624,123	2,326,561	2,280,793	2,539,612	2,361,388	1,265,300	1,255,100
14,535	101,682	900,920	785,318	558,720	536,829	525,900	523,400
616,468	678,699	605,433	676,234	709,320	874,435	921,600	935,800
199,253	234,160	266,361	269,239	281,230	284,714	285,400	280,400
694,934	675,120	703,660	702,451	742,209	706,873	709,900	701,000
46,622,397	**47,712,694**	**51,836,048**	**53,074,645**	**52,702,302**	**53,654,461**	**50,794,900**	**50,594,100**
797,465	850,431	911 806	1,004,372	1,018,653	949,907	979,600	1,010,900
341,227	358,430	426,694	505,552	539,087	469,208	521,000	557,100
258,854	443,859	172,335	230,569	89,565	70,584	152,200	102,000
1,397,546	**1,652,720**	**1,510,835**	**1,740,493**	**1,647,305**	**1,489,699**	**1,652,800**	**1,670,000**
609,033	618,388	647,131	658,902	687,764	677,454	662,000	645,000
216,856	255,254	211,108	227,657	241,769	248,005	227,200	226,200
233,179	231,538	250,595	258,187	246,519	237,876	211,600	207,100
150,056	152,990	147,425	139,414	170,238	189,292	199,800	204,900
36,677	37,982	44,332	56,329	43,368	39,507	48,500	48,600
52,930	101,793	84,977	99,282	78,492	120,949	85,100	70,500
1,298,731	**1,397,945**	**1,385,568**	**1,439,771**	**1,468,150**	**1,513,083**	**1,434,200**	**1,402,300**
542,699	534,243	628,367	748,050	875,679	896,904	688,000	651,000
611,205	601,611	667,485	525,141	315,999	356,273	293,300	293,200
50,024	35,381	47,096	56,019	62,462	57,811	57,600	57,200
614,800	528,323	348,217	337,370	731,742	396,238	326,100	268,100
1,818,728	**1,699,558**	**1,691,165**	**1,666,580**	**1,985,882**	**1,707,226**	**1,365,000**	**1,269,500**
406,633	582,077	976,828	1,548,728	2,269,135	2,556,542	2,583,000	2,730,500
2,641,762	3,627,968	2,709,998	2,476,347	2,894,653	3,615,479	3,530,000	3,539,000
2,445,879	2,965,491	2,491,308	3,095,391	2,789,185	3,261,857	2,845,200	2,907,200
513,661	502,981	613,270	708,041	639,144	865,799	884,700	885,400
—3,229	—8,750	+8,886	+15,799	—7,650	—8,834	—5,400	...
...	...	126,934	602,398	797,319	491,220	532,000	545,500
6,004,706	**7,669,767**	**6,927,224**	**8,446,704**	**9,381,786**	**10,782,063**	**10,369,500**	**10,607,600**
...	...	...	...	...	...	123,100	191,900
...	...	...	...	...	2,290	3,700	11,000
88,809	166,104	168,619	193,067	197,908	131,239	131,900	141,300
39,251	39,237	39,554	38,255	36,727	50,298	42,100	39,200
531,017	714,790	531,522	464,811	510,586	543,972	470,700	481,300
659,077	**920,131**	**739,695**	**696,133**	**745,221**	**727,799**	**771,500**	**864,700**
925,473	869,981	974,781	1,029,483	924,127	1,161,707	986,000	865,800
...	...	...	(c) 50,499	(c) 3,297,607	(c) 2,659,768	(d) 540,000	...
925,473	**869,981**	**974,781**	**1,079,982**	**4,221,734**	**3,821,475**	**1,526,000**	**865,800**
58,726,658	**61,922,796**	**65,065,316**	**68,144,308**	**72,152,380**	**73,695,806**	**67,913,900**	**67,274,000**

"Civil Buildings and Roads;" in the next four years the figure for "India, General" alone can be thus separately stated. (c) Afghanistan. (d) Egypt.

J. WESTLAND,
Comptroller General.

D. BARBOUR,
Secretary to the Government of India.

Details of Expenditur

	1871-72.	1872-73.	1873-74.	1874-75.	1875-76.
	£	£	£	£	£
Interest—					
1.—Interest on Ordinary Debt excluding that charged to Productive Public Works	5,483,518	5,301,669	5,248,820	5,032,487	5,178,108
2.—Interest on Deposits	482,781	555,789	541,001	379,694	386,407
TOTAL	**5,966,299**	**5,857,458**	**5,789,821**	**5,412,181**	**5,564,515**
Direct Demands on the Revenues—					
3.—Refunds and Drawbacks	287,847	345,234	349,105	368,591	415,212
4.—Assignments and Compensations	843,767	886,299	868,175	888,606	894,593
Charges in respect of Collection, *viz.*:—					
5.—Land Revenue	2,808,015	2,824,546	2,866,599	2,865,172	2,950,885
6.—Opium (including cost of Protn.)	1,596,646	1,814,268	2,001,280	2,341,546	2,218,565
7.—Salt (including cost of Protn.)	478,244	477,741	479,636	463,714	508,661
8.—Stamps	103,779	92,101	88,840	125,470	106,436
9.—Excise	139,589	134,045	98,444	91,916	87,226
10.—Provincial Rates	11,964	47,958	37,085	41,292	52,735
11.—Customs	187,287	183,031	186,767	187,124	187,695
12.—Assessed Taxes	29,976	13,458	2,232	14	10
13.—Forest	359,451	400,186	403,447	444,021	419,811
14.—Registration	110,848	117,531	122,939	130,217	136,449
TOTAL	**6,957,413**	**7,336,398**	**7,503,649**	**7,947,683**	**7,978,278**
Post Office, Telegraph, and Mint—					
15.—Post Office	737,103	765,842	883,181	884,467	903,384
16.—Telegraph	449,911	482,975	411,818	432,030	490,624
17.—Mint	83,874	86,210	77,647	132,607	107,626
TOTAL	**1,270,888**	**1,335,027**	**1,372,646**	**1,449,104**	**1,501,634**
Salaries and Expenses of Civil Depts.—					
18.—General Administration	1,471,542	1,474,371	1,517,572	1,550,751	1,639,132
19.—Law and Justice	2,819,738	2,818,426	2,960,811	3,039,334	3,063,800
20.—Police	2,537,835	2,421,189	2,437,029	2,442,786	2,469,005
21.—Marine (including River Navigation)	574,652	562,177	535,194	599,604	629,886
22.—Education	850,163	880,786	912,479	985,416	1,019,593
23.—Ecclesiastical	158,192	156,762	163,562	165,551	162,122
24.—Medical	532,221	593,478	620,486	657,320	670,172
25.—Political	316,104	392,300	366,756	404,595	430,443
26.—Scientific and other Minor Depts.	304,728	395,802	365,268	373,320	396,270
TOTAL	**9,565,175**	**9,695,291**	**9,879,157**	**10,218,677**	**10,480,423**
Miscellaneous Civil Charges—					
27.—Territorial and Political Pensions	880,743	863,591	988,525	849,762	819,131
28.—Civil Furlough & Absentee Allowances	173,029	156,059	258,464	216,704	229,199
29.—Superannuation Allowances & Pensions	1,453,849	1,576,674	1,523,307	1,780,209	1,940,387
30.—Stationery and Printing	212,566	242,037	257,613	261,344	262,260
31.—Miscellaneous	456,416	699,879	726,186	420,187	805,998
TOTAL	**3,176,603**	**3,538,240**	**3,754,095**	**3,528,206**	**4,056,975**
Famine Relief and Insurance—					
32.—Famine Relief	...	...	3,864,706	2,242,922	601,966
33.—Protective Works, Railways	...	...	...	...	...
34.—Protective Works, Irrigation	...	...	...	...	...
35.—Reduction of Debt	...	...	...	...	...
TOTAL	...	...	**3,864,706**	**2,242,922**	**601,966**
Carried over	26,936,378	27,762,414	32,164,074	30,798,773	30,183,791

The Head "Refunds and Drawbacks" up to 1880-81 inclusive, contained the charges for refunds of "Receipts by Civ

FORT WILLIAM;
DEPT. OF FINANCE AND COMMERCE,
The 15th March 1883.

E. W. KELLNER,
Deputy Comptroller Genera

1871-72 to 1883-84.

1876-77.	1877-78.	1878-79.	1879-80.	1880-81.	1881-82.	Revised Estimate, 1882-83.	Budget Estimate, 1883-84.
£	£	£	£	£	£	£	£
4,512,722	4,672,450	4,575,069	4,590,482	3,669,195	4,024,116	3,988,100	3,823,600
394,721	358,686	378,952	382,462	413,973	533,984	462,400	440,400
4,907,443	**5,031,136**	**4,954,021**	**4,972,944**	**4,083,168**	**4,558,100**	**4,450,500**	**4,264,000**
356,795	348,709	406,562	368,606	469,206	272,370	384,200	195,900
870,418	825,726	1,023,386	1,115,592	1,215,013	1,194,440	1,241,700	1,246,100
2,898,647	2,943,057	2,960,010	2,937,185	2,983,679	3,003,792	3,055,900	3,211,700
2,841,647	2,661,266	1,698,730	2,067,492	2,028,757	2,057,335	2,344,900	2,165,300
488,987	546,173	404,743	340,687	363,537	486,209	499,400	546,300
96,266	102,673	115,452	114,324	107,465	110,623	120,900	103,000
91,409	99,350	87,839	111,413	95,404	96,886	95,700	94,400
52,130	65,762	64,431	47,866	46,435	53,226	50,900	51,100
202,174	207,611	200,417	201,280	198,927	195,110	156,600	143,700
919	692	37,617	29,886	21,237	13,074	13,800	14,000
458,099	439,938	454,934	465,056	465,976	557,645	586,700	676,500
141,458	149,676	160,800	165,208	173,351	179,401	184,800	186,300
8,498,949	**8,390,633**	**7,614,921**	**7,964,595**	**8,168,987**	**8,220,111**	**8,735,500**	**8,634,300**
918,736	964,077	1,033,327	1,145,552	1,175,505	1,147,935	1,186,700	1,222,800
473,127	461,146	470,790	451,143	497,834	536,201	656,700	741,600
130,601	132,083	103,991	94,631	92,618	87,526	88,800	75,400
1,522,464	**1,557,306**	**1,608,108**	**1,691,326**	**1,765,957**	**1,771,662**	**1,932,200**	**2,039,800**
1,493,419	1,493,217	1,487,852	1,492,280	1,532,056	1,494,356	1,577,700	1,554,900
3,130,832	3,168,434	3,297,064	3,280,822	3,203,613	3,232,741	3,272,700	3,346,700
2,512,980	2,483,257	2,419,119	2,495,549	2,524,198	2,553,861	2,631,500	2,708,000
699,542	542,200	548,703	530,133	551,586	623,398	545,700	515,400
1,004,162	1,003,321	978,254	967,029	998,468	1,078,490	1,133,900	1,200,100
163,837	158,039	155,200	156,012	158,638	162,136	163,600	167,600
668,627	689,617	669,059	668,746	666,735	683,185	697,700	722,700
505,318	469,072	448,793	430,571	531,183	649,346	511,400	442,400
351,622	366,453	355,347	358,241	401,140	560,991	466,700	495,800
10,530,339	**10,373,610**	**10,359,391**	**10,379,383**	**10,567,617**	**11,038,504**	**11,001,000**	**11,153,600**
802,125	820,367	803,098	699,043	683,760	682,328	688,000	743,400
235,990	237,362	231,561	215,092	223,741	222,642	216,500	226,500
1,799,645	1,884,550	1,997,327	2,196,551	2,150,553	2,182,327	2,167,000	2,171,300
454,166	441,939	471,470	418,464	485,010	565,884	494,400	462,000
475,435	387,593	293,094	341,868	280,130	391,351	339,200	364,900
3,767,361	**3,771,811**	**3,796,550**	**3,871,018**	**3,823,194**	**4,044,532**	**3,905,100**	**3,968,100**
2,145,431	5,345,985	313,420	103,990	34,469	34,849	25,600	12,500
...	...	...	...	...	614,551	— 127,100	1,012,500
...	...	...	...	...	135,449	271,300	343,300
...	...	...	...	...	715,151	1,330,200	131,700
2,145,431	**5,345,985**	**313,420**	**103,990**	**34,469**	**1,500,000**	**1,500,000**	**1,500,000**
31,371,987	34,470,481	28,646,411	28,983,256	28,443,392	31,132,909	31,524,200	31,559,800

Departments," and of "Miscellaneous Receipts" as well as for refunds of Receipts under the "Principal Heads of Revenue."

J. WESTLAND,
Comptroller General.

D. BARBOUR,
Secretary to the Government of India.

Details of Expenditure.

	1871-72.	1872-73.	1873-74.	1874-75.	1875-76.
	£	£	£	£	£
Brought forward	26,936,378	27,762,414	32,164,074	30,798,773	30,183,791
Expenditure on Productive Public Works (Revenue Account)—					
36.—State Rys. (Working and Maintenance)	7,829	11,171	52,718	127,197	241,023
37.—Guaranteed and Subsidized Railways (Interest and Profits, &c.) (*a*)	3,138,393	3,269,467	3,269,276	3,214,192	3,325,543
38.—East Indian Railway (Interest and Profits, &c.) (*a*) (*b*)	1,524,581	1,578,286	1,584,961	1,877,034	1,603,974
39.—Irrigation and Navigation (Working and Maintenance)	234,990	541,082	590,137	568,978	511,072
40.—Madras Irrigation and Canal Company (Interest, &c.)	51,201	50,947	50,698	50,512	50,503
41.—Interest on Debt incurred for Productive Public Works (*c*)—					
Railways	...	...	...	...	...
Irrigation	...	...	...	...	...
Miscellaneous Public Improvements	...	...	...	...	...
TOTAL	4,956,994	5,450,953	5,547,790	5,837,913	5,732,115
Expenditure on Public Works not classed as Productive—					
42.—State Railways Capital Account	2,816	10,833	26,436	97,879	21,228
43.—State Rys., Working and Maintenance	...	...	...	...	...
44.—Subsidized Railways	...	...	...	...	...
45.—Frontier Railways	...	...	...	...	...
46.—Irrigation and Navigation	448,415	365,791	271,097	384,304	615,481
47.—Military Works	978,421	1,166,558	1,122,960	1,185,926	1,337,738
48.—Civil Buildings, Roads and Services	3,402,688	3,342,446	4,079,809	4,293,013	4,298,018
TOTAL	4,832,340	4,885,628	5,500,302	5,961,122	6,272,465
Army Services—					
49.—Army	15,678,112	15,503,612	15,228,429	15,375,159	15,308,460
50.—Military Operations in Afghanistan and Egypt	...	...	...	...	...
TOTAL	15,678,112	15,503,612	15,228,429	15,375,159	15,308,460
(Exchange on Transactions with London—XXXVIII and 51.)	433,095	694,846	882,718	785,820	1,355,861
TOTAL	52,836,919	54,297,453	59,323,313	58,758,787	58,852,692
Expenditure on Productive Public Works (Capital Account)—					
52.—State Railways	644,620	1,413,649	2,354,625	3,014,180	3,165,184
53.—East Indian Railway	...	...	...	...	...
54.—Irrigation and Navigation	983,854	770,920	1,198,682	1,235,391	1,105,445
Madras Irrigation and Canal Co.'s Undertakings	...	...	...	...	...
55.—Miscellaneous Public Improvements	...	...	...	...	...
TOTAL	1,628,474	2,184,569	3,553,307	4,249,571	4,270,629

(*a*) The figures include "Land and Control" about £ 50,000 a year. The East Indian Railway portion of "Lan
(*b*) The East Indian Railway became a State Railway on 1st January 188c. The figures before 1879-80, as als
(*c*) Not stated separately till 1876-77.

FORT WILLIAM;
DEPT. OF FINANCE AND COMMERCE,
15th March 1883.

E. W. KELLNER,
Deputy Comptroller General

1871-72 to 1883-84.

1876-77.	1877-78.	1878-79.	1879-80.	1880-81.	1881-82.	Revised Estimate, 1882-83.	Budget Estimate, 1883-84.
£	£	£	£	£	£	£	£
31,371,987	34,470,481	28,646,411	28,983,256	28,443,392	31,132,909	31,524,200	31,559,800
299,464	431,010	734,377	1,215,231	1,607,528	1,686,392	1,532,600	1,572,800
3,295,362	3,441,428	3,525,965	3,393,691	3,411,753	3,678,754	3,846,400	3,884,500
1,686,311	2,013,252	2,074,639	2,068,269	1,382,275	1,438,703	1,464,500	1,396,000
537,231	370,847	381,550	414,601	425,473	455 635	526,400	549,300
50,483	50,335	50,568	50,455	50,538	50,496	25,000	...
528,737	665,754	913,512	1,048,700	1,602,029	1,594,687	1,716,100	1,810,500
367,196	402,186	488,476	519,830	762,770	726,386	785,900	853,700
...	...	5,836	13,584	17,071	17,952	20,200	21,600
6,764,784	**7,374,812**	**8,174,923**	**8,724,361**	**9,259,437**	**9,649,005**	**9,917,100**	**10,088,400**
41,777	66,389	226,846	471,410	77,003	247,673	438,900	510,400
...	...	...	...	...	...	147,000	184,800
...	...	...	...	...	17,527	103,800	185,700
...	...	...	1,334,350	2,293,615	224,682	281,500	67,500
441,277	757,759	630,919	668,907	709,103	789,933	919,900	804,000
1,202,322	1,153,929	1,190,528	966,297	969,168	1,070,546	1,000,000	1,000,000
3,360,926	3,080,028	3,127,719	2,926,112	3,343,829	4,043,170	4,422,200	4,303,700
5,046,302	**5,058,105**	**5,176,012**	**6,367,076**	**7,392,718**	**6,393,531**	**7,313,300**	**7,056,100**
15,792,112	16,639,761	17,092,488	16,896,239	16,717,713	17,216,215	16,172,100	16,064,000
...	...	...	(*d*)4,816,623	(*d*)11,368,489	(*d*)1,644,927	(*e*)1,337,200	...
15,792,112	**16,639,761**	**17,092,488**	**21,712,862**	**28,086,202**	**18,861,142**	**17,509,300**	**16,064,000**
2,059,311	1,554,922	3,225,831	2,926,403	2,716,809	3,556,700	3,115,600	3,548,000
61,034,496	**65,098,081**	**62,315,665**	**68,713,958**	**75,898,558**	**69,593,287**	**69,379,500**	**68,316,300**
2,865,861	3,984,968	3,327,888	2,680,493	2,553,620	1,635,151	1,674,400	2,395,000
...	...	...	9,730,862	418,435	1,041,562	713,200	424,000
943,423	806,084	794,654	598,837	614,450	565,804	649,100	978,100
...	...	...	...	...	...	1,763,500	...
...	...	259,356	85,000	70,000	68,906	44,200	23,000
3,809,284	**4,791,052**	**4,381,898**	**13,095,192**	**3,656,505**	**3,311,423**	**4,844,400**	**3,820,100**

nd Control" was not stated separately till 1877-78; and before that year is placed against "Guaranteed Railways."
2,033,872 of that year, £266,056 of 1880-81, and 1,093 of 1881-82 belong to the "Guaranteed" Contract.
(*d*) Afghanistan. (*e*) Egypt.

J. WESTLAND,
Comptroller General.

D. BARBOUR,
Secretary to the Government of India.

APPENDIX IV.

MEMORANDUM ON PROVINCIAL AND LOCAL SURPLUSES AND DEFICITS.

APPENDIX IV.

Memorandum on Provincial and Local Surpluses and Deficits.

I observe, both from the debate in the House of Commons on the Indian Financial Statement, and from the comments in the English and Indian Press, that some difficulty is experienced in fully understanding the adjusting entries which appear in the Indian Accounts and Estimates of Revenue and Expenditure under the head of "Provincial and Local Surpluses and Deficits." This is no matter for surprise, for the entries represent, in fact, transactions which are somewhat complicated, and which it is, not unnaturally, difficult for any one not thoroughly conversant with all the details of the Indian financial system to understand fully.

The following illustration may perhaps serve to place the matter in a clear and intelligible light:—

A has three sons, B, C, and D. A, B, C, and D keep their balances at one banker, and the whole are merged in one account standing in A's name. On January 1st, 1882, the total balance standing to A's credit was £200,000, which was divided thus:—

	£
Belonging to A	100,000
,, B	50,000
,, C	30,000
,, D	20,000
TOTAL	200,000

A estimates his total income for 1882 at £120,000. His expenditure he estimates as follows:—

	£
A's personal expenditure	50,000
Allowance granted by A to B	25,000
Ditto A to C	15,000
Ditto A to D	10,000
Leaving a surplus belonging to A of	20,000
TOTAL	120,000

On January 1st, 1882, B gives A notice that, besides spending his allowance for the year (£25,000), he wishes to draw on his balance of £50,000 to the extent of £10,000.

C at the same times gives notice that during the year he will spend exactly the amount of his allowance, and will neither draw on his balance of £30,000, nor increase it during the year.

D at the same time gives notice that during the year he will only spend £9,000, out of his allowance of £10,000, thus increasing his balance, which stood on January 1st, 1882, at £20,000, by £1,000.

The joint Revenue and Expenditure Account of A, B, C, and D for the year will, therefore, stand thus:—

REVENUE.	£	EXPENDITURE.	£	£
A's income	120,000	A's personal expenditure		50,000
		B's expenditure—		
		Allowance for the year	25,000	
		Add drawn from balance	10,000	
				35,000
		C's expenditure		15,000
		D's expenditure—		
		Allowance for the year	10,000	
		Deduct saving during the year	1,000	
				9,000
		Surplus		11,000
				120,000

And the joint Cash Account of A, B, C, and D will stand thus :—

Cr. *Dr.*

	£		£	£
Balance on January 1st, 1882	200,000	Expenditure during 1882—		
A's income for 1882	120,000	A	50,000	
	320,000	B	35,000	
		C	15,000	
		D	9,000	
				109,000
		Balance on December 31st, 1882		211,000
				320,000

It is clear that the Revenue and Expenditure Account given above does not accurately represent the result of the year's finance to A considered by himself. A is to receive altogether £120,000 during the year, of which he has alienated £50,000 to B, C, and D, leaving £70,000 for his own expenditure. As a matter of fact, he only intends to spend £50,000 during the year, thus leaving himself a surplus of £20,000, and not of £11,000, as shown above. The difference of £9,000 arises from the following facts:—(1) That on the Expenditure side of the Account a sum of £10,000 appears, being the amount in excess of his allowance (£25,000), which B proposes to expend in the year; and (2) that on the Revenue side of the Account full provision is made for the annual grant of £10,000 to D, whereas on the Expenditure side of the Account provision is only made for an expenditure of £9,000 on the part of D. If, therefore, we wish to arrive at a knowledge of A's surplus for the year, we must add to the £11,000 given above the amount of £10,000 by which B has drawn on his balance, and we must deduct £1,000, being the amount by which D's expenditure (£9,000) for the year is less than his annual income (£10,000). This sum of £1,000 really constitutes a debt due by A to D. When these adjustments have been made, we arrive at A's true surplus, thus :—

	£	£
Surplus as shown above		11,000
Add expenditure of B in excess of annual grant	10,000	
Deduct amount by which D's revenue is in excess of his annual income	1,000	
Total *addition*		9,000
A's surplus		20,000

Turning to the Cash Account given above, it is clear that, regarding the joint accounts of A, B, C, and D together, the balance during the year has been increased by £11,000, *viz.*, from £200,000 to £211,000. But the distribution of the balance at the close of the year between A, B, C, and D will be different to what it was at the commencement. A's and D's balances will have increased, as they will have spent, the former £20,000 and the latter £1,000 less than their income for the year. B's balance will be reduced, as he will have spent £10,000 more than his annual income. C's balance will have remained unchanged, as he will have spent the exact amount of his annual income. I will presently show how the balance of each will stand.

Now, A is under an obligation to produce a Revenue and Expenditure Account for the year, which shall show (1) the total amount he receives, including the grants made, or, which is the same thing, the revenues alienated, to B, C, and D; and (2) the total amount of expenditure incurred by A, B, C, and D. It is also necessary to show in this Account the net result of the year's finance to A only, who is the most important partner in the concern, leaving the net results of the year's finance to B, C, and D to be shown in separate accounts.

This object is effected by compiling the account in the following manner :—

Revenue.	£	£	*Expenditure.*	£	£
A . .	70,000		A . .	50,000	
B . .	25,000		B . .	35,000	
C . .	15,000		C . .	15,000	
D . .	10,000		D . .	9,000	
		120,000			109,000
Deduct the amount by which B has exceeded his income for the year, *i.e.*, B's *deficit*				10,000	
Add the amount by which D's income for the year has exceeded his expenditure, *i.e.*, D's *surplus*				1,000	
Total *deduction* . . .					9,000
Leaving A's expenditure, inclusive of the grants made during the year to B, C, and D					100,000
A's surplus is, therefore, ...					20,000
					120,000

Turning to the Cash Account, the joint balance will, as I have already shown, be increased during the year from £200,000 to £211,000. The separate Accounts will stand thus :—

A's Cash Account.

Cr.	£	Dr.	£
Balance, January 1st, 1882 .	100,000	Expenditure, 1882 . . .	50,000
Revenue, 1882	70,000	Balance, December 31st, 1882 .	120,000
	170,000		170,000

B's Cash Account.

Cr.	£	Dr.	£
Balance, January 1st, 1882 .	50,000	Expenditure, 1882 . . .	35,000
Revenue, 1882	25,000	Balance, December 31st, 1882 .	40,000
	75,000		75,000

C's Cash Account.

Cr.	£	Dr.	£
Balance, January 1st, 1882 .	30,000	Expenditure, 1882 . . .	15,000
Revenue, 1882	15,000	Balance, December 31st, 1882 .	30,000
	45,000		45,000

D's Cash Account.

Cr.	£	Dr.	£
Balance, January 1st, 1882 .	20,000	Expenditure, 1882 . . .	9,000
Revenue, 1882	10,000	Balance, December 31st, 1882 .	21,000
	30,000		30,000

If A be regarded as the Government of India, B, C, and D as the Provincial Governments, B's deficit of £10,000 as the entry "Provincial and Local Deficits," and D's surplus of £1,000 as the entry "Provincial and Local Surpluses," a correct idea will be gained of the precise nature of the adjusting entries which appear in the Accounts and Estimates of the Government of India under the head of "Provincial and Local Surpluses and Deficits."

E. BARING.

March 1st, 1883.

APPENDIX V.

TRADE.

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APPENDIX V.

Trade.

£1 = ₹10.

	From April 1st to January 31st.	
	1881-82.	1882-83.
Imports—	£	£
Private Merchandise	39,169,484	41,945,202
Government Stores	1,806,552	1,744,747
Total Merchandise	40,976,036	43,689,949
Treasure, private	7,987,135	12,038,557
Total Imports	48,963,171	55,728,506
Exports—		
Private Merchandise	64,445,283	65,770,066
Government Stores	55,343	73,238
Total Merchandise	64,500,626	65,843,304
Treasure, private	923,140	790,235
,, Government	2,360	54,400
Total Exports	65,426,126	66,687,939
Surplus of Exports of Merchandise	23,524,590	22,153,355
,, **Imports** of Treasure	7,061,635	11,193,922
Net Surplus of Exports	16,462,955	10,959,433
Secretary of State's Bills *paid* from April 1st to January 31st	17,381,100	12,804,500

Statement *showing the* **quantities** *and* **value** *of articles* **imported** *into British India (from Foreign Countries) which were* **exempted from Customs duty** *by the Indian Tariff Act XI of 1882, for the ten months ending January 31st, 1882-83, compared with the corresponding period of the year 1881-82.*

Articles.	Ten Months ending January 1881-82.		Ten Months ending January 1882-83.		Increase or Decrease per cent. in 1882-83.	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
		Rs.		Rs.		
Apparel, &c. . . . . val.	...	54,42,523	...	65,01,404	...	+ 19·46
Caoutchouc manufactures . . . ,,	...	1,56,838	...	1,76,674	...	+ 12·65
Chinese and Japaneseware, &c. . . ,,	...	3,26,141	...	3,23,593	...	— 0·78
Clocks and watches . . . . No.	58,266	6,67,164	63,894	7,73,612	+ 9·66	+ 15·96
Corals, real . . . . . lbs.	122,218	14,74,285	132,994	16,75,010	+ 8·82	+ 13·62
Corks . . . . . cwt.	1,899	2,13,304	1,331	1,98,158	— 4·86	— 7·10
Cotton, Twist and Yarn . . . lbs.	34,324,676	2,70,62,119	38,302,151	2,90,93,069	+ 11·59	+ 7·50
,, Piece goods, grey . . . yds.	910,220,670	10,64,30,612	927,742,341	10,85,62,460	+ 1·92	+ 2·60
,, ,, white . . . ,,	227,472,742	2,99,26,541	185,738,511	2,66,70,356	— 18·35	— 10·88
,, ,, coloured, &c. . . ,,	209,597,884	3,25,78,305	271,283,838	4,21,79,890	+ 29·43	+ 29·47

Articles.	Ten Months ending January 1881-82.		Ten Months ending January 1882-83.		Increase or Decrease per cent. in 1882-83.	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
		Rs.		Rs.		
Cotton Piece goods, other sorts . . val.	...	12,89,448	...	18,01,640	...	+ 39·72
,, Thread, sewing . . . . lbs.	536,431	7,50,852	736,572	9,40,811	+ 37·31	+ 25·30
,, Other sorts of manufactures . val.	...	10,17,178	...	12,13,954	...	+ 19·35
Drugs and medicines . . . . . ,,	...	32,05,220	...	33,16,856	...	+ 3·48
Dyeing and colouring materials . . ,,	...	14,09,044	...	16,43,788	...	+ 16·66
Earthenware and porcelain . . . ,,	...	12,92,524	...	13,53,642	...	+ 4·73
Fireworks . . . . . ,,	...	4,23,771	...	5,51,116	...	+ 30·05
Glass . . . . . ,,	...	37,97,484	...	40,08,198	...	+ 5·55
Gums and resins . . . . . cwt.	85,570	12,02,509	75,719	10,15,801	— 11·51	— 15·53
Hardware and cutlery, &c. . . . val.	...	51,32,044	...	63,06,018	...	+ 22·88
Instruments and apparatus . . . ,,	...	11,15,780	...	12,21,156	...	+ 9·44
Ivory . . . . . ,,	...	17,76,039	...	17,53,543	...	— 1·27
Jewellery . . . . . ,,	...	5,09,721	...	11,35,962	...	+ 122·86
Plate . . . . . ,,	...	71,830	...	69,916	...	— 2·66
Matches, lucifer and other . . . ,,	...	11,40,934	...	14,43,364	...	+ 26·51
Metals, Brass . . . . . cwt.	7,922	4,49,351	10,658	5,72,089	+ 34·54	+ 27·31
,, Copper . . . . . ,,	282,383	1,22,42,027	372,947	1,60,38,481	+ 32·07	+ 31·01
,, Iron . . . . . ,,	1,956,990	1,12,35,125	2,624,664	1,54,58,542	+ 34·12	+ 37·59
,, Lead . . . . . ,,	54,772	7,73,225	60,567	8,19,712	+ 10·58	+ 6·01
,, Quicksilver . . . . . lbs.	94,546	1,02,467	330,368	3,46,586	+ 249·43	+ 238·24
,, Steel . . . . . cwt.	137,939	10,46,326	156,273	12,04,113	+ 13·29	+ 15·08
,, Tin . . . . . ,,	22,975	14,16,185	36,731	23,98,275	+ 59·87	+ 69·35
,, Zinc, &c. . . . . ,,	111,665	11,16,744	116,132	11,36,853	+ 4·00	+ 1·80
,, Unenumerated . . . . ,,	3,620	2,67,685	4,559	3,00,378	+ 25·94	+ 12·21
Paints and colours . . . . val.	...	17,28,259	...	19,59,692	...	+ 13·39
Pasteboard, millboard, &c. . . . cwt.	3,913	33,544	2,849	30,968	— 27·19	— 7·68
Perfumery . . . . . val.	...	4,11,741	...	4,77,091	...	+ 15·87
Provisions . . . . . ,,	...	89,43,077	...	92,52,517	...	+ 3·46
Shells and cowries . . . . . ,,	...	3,41,579	...	4,13,964	...	+ 21·19
Silk, raw . . . . . lbs.	1,527,907	64,76,635	2,197,135	98,62,679	+ 43·80	+ 52·28
,, manufactures, thread, sewing . ,,	1,511	14,948	2,493	25,505	+ 64·99	+ 70·62
,, ,, piece goods . . yds.	9,683,341	1,00,86,934	7,237,675	75,76,191	— 25·26	— 24·89
,, ,, goods of silk mixed, &c. ,,	1,286,830	8,98,894	956,274	6,68,276	— 25·69	— 25·66
,, ,, other sorts . . lbs.	1,458	6,927	809	6,163	— 44·51	— 11·03
Spices . . . . . ,,	29,538,310	42,50,166	28,503,391	44,14,709	— 3·50	+ 3·87
Stationery . . . . . val.	...	11,19,045	...	12,55,399	...	+ 12·18
Sugar, refined, &c. . . . . cwt.	666,587	1,07,04,591	519,367	84,07,105	— 22·09	— 21·46
Sugar, unrefined, &c. . . . . ,,	3,392	15,168	3,147	12,748	— 7·22	— 15·95
Tea . . . . . lbs.	2,393,413	17,10,001	2,027,119	14,92,445	— 15·30	— 12·72
Tobacco . . . . . ,,	1,146,803	5,19,900	1,316,350	7,10,332	+ 14·79	+ 36·63
Toys . . . . . val.	...	8,79,488	...	9,11,342	...	+ 3·62
Umbrellas . . . . . No.	2,361,122	16,58,759	2,708,598	18,67,341	+ 14·72	+ 12·57
Wool-manufactures, Piece goods . . yds.	8,209,341	84,97,119	6,043,100	67,68,337	— 26·39	— 20·35
,, ,, Shawls . . . No.	384,586	7,49,207	345,374	7,84,277	— 10·20	+ 4·68
,, ,, Braids . . . lbs.	193,492	3,91,642	210,686	4,01,482	+ 8·89	+ 2·51
,, ,, other sorts . . ,,	582,651	6,43,480	678,865	6,69,424	+ 16·51	+ 4·03

*Memorandum on the Import of Government Stores from Europe.**

1. As regards Government stores, the returns for the ten months ending January 31st, 1883, compared with the corresponding period of the year 1881-82, show reductions, to a greater or less extent, in the following articles :—

Apparel.
Carriages and carts.
Drugs and medicines.
Hardware and cutlery.
Instruments and apparatus.
Leather and leather-goods (boots, shoes, &c.)
Malt liquor.
Machinery and mill-work.
Railway plant and rolling-stock.
Parts of ships.
Woollen piece-goods.

In malt liquor and leather and woollen-goods the reductions are particularly noticeable. In these cases and of all the others above mentioned, except machinery and railway material, the reductions are certainly due to the substitution of Indian goods of similar kinds for articles heretofore imported from Europe.

2. On the other hand, there have been increases, more or less large, in the following articles :—

Arms and Ammunition and Military Stores.
Chemical products.
Coal.
Cotton piece-goods.
Flax goods (canvas, &c.)
Spirits and wines.
Metals of all kinds.
Paper and stationery.
Telegraph materials.

With the exception of paper and stationery these are either goods of a class not now made in the country, or they are required at places where Indian goods cannot be laid down as cheaply as imported goods. For instance, English coal is cheaper at Kurrachee than Indian coal. The cotton piece-goods imported are generally of a kind not yet made in India.

3. The increase in paper and stationery is more apparent than real. The Superintendent of Stationery for two or three years bought his paper and stationery in the market under orders from the Government of India, and his purchases appeared during that time under the head of General Trade, not under Government Stores. This practice having been stopped and, paper and stationery now coming from the Store Department of the India Office, the European supplies of the Stationery Office now appear under Government Stores. Some progress is being made in the manufacture of paper in India, but it has as yet unfortunately been only found possible to make the coarser kinds of paper used by the Government.

4. The total of the whole imports of Government Stores for the ten months compared with the corresponding period of 1881-82 show a reduction of from £1,806,552 to £1,744,747, or £61,805. Some gradual progress is thus being made in the direction of substituting Indian-made articles for those of English manufacture; but it will not be possible to make any very sensible impression upon the total amount of stores imported from England until iron work and machinery, equal in quality and not superior in price to the English articles, can be manufactured in India.

March 1st, 1883. E. BARING.

* On this subject see also General Wilson's Minute (Appendix VI., p. 116).

APPENDIX VI.

THE MILITARY BUDGET ESTIMATES, 1883-84.

MINUTE

BY

LIEUTENANT-GENERAL THE HON'BLE F. T. WILSON, C.B.

APPENDIX VI.

The Military Budget Estimates, 1883-84.

Minute by Lieutenant-General the Hon'ble T. F. Wilson, C.B.

The estimated net cost of the army in India for the financial year 1883-84 is £11,194,000, being £95,700 less than what it was for the current year.

In the face of the reductions carried out in the native army last year, this result may at first appear disappointing, but examination of the different items will remove this idea, and show that there is no cause for other feeling than that of satisfaction with the accounts generally.

In considering the subject, it must be kept prominently in view that, although a large reduction in the number of regiments was made during the past year, still no reduction in the total number of fighting men was effected. On the contrary, the reverse is the case; for, while the number of corps was reduced, the strength of those to be maintained was increased:—infantry from 712 to 832 of all ranks in each of the corps, other than the five Goorkha regiments, which, with the sanction of the Secretary of State, are maintained at an extra strength of 912 of all ranks:—and cavalry from 457 to 550, with the exception of the Madras Cavalry, which remains unchanged.

Thus the total establishment of the three native armies in India is 111,411, or 436 men *in excess* of what it was before the reduction of the regiments took place.

The previously existing total number of British officers has been maintained much as before by the addition of one to each regiment of cavalry and infantry, whereby only ten regimental officers, excluding medical officers, have been reduced.

Thus the changes have resulted in a very small reduction in the strength of officers, and a material increase in the aggregate numbers of the rank and file of the regiments retained, while a large saving, estimated altogether at £103,183, has been effected. As foretold last year, however, a considerable portion of these savings has been absorbed by the payment of gratuies, compensation, and pensions to officers and men of the corps reduced. The compensation and gratuities have been paid, and there will be no further claims to meet on this account; but the pensionary charges have been largely increased. This abnormal charge will gradually be reduced as the pensioners decrease; still for some years to come there will undoubtedly be a large sum needed to meet the item No. 18, "Military Pensions."

The economical effects of the reforms carried out would have been more apparent but for two accidental and not to be foreseen circumstances.

The first refers to the settlement between the India Office and the War Office for non-effective charges which have gradually fallen into large arrears, with the result that the Secretary of State has now decided to pay off the amount due by spreading the payment of it over a number of years, commencing with an instalment of £100,000 as a first annual payment.

Secondly, a large increase has been required to Grant No. 10, consequent upon the unpleasant discovery that for some time past the ammunition factory at Kirkee has been turning out imperfect ammunition, large quantities of which have been condemned, and to meet the loss we have had to materially increase the outturn of the ammunition factories in order to complete the reserves.

Thus, had it not been for the arrears due to the War Office, and the defects discovered in the ammunition manufactured at Kirkee, a much larger saving would have been exhibited,—a saving which has been effected in conjunction with changes resulting in increased efficiency and strength.

There has been no change in the number of regiments and batteries on the establishment of the British troops in India, but there is a trifling increase in the total strength of men.

Going further into detail, I would observe that in Grant No. 5, "Remount and cattle supplies and service," there is an increase of £59,196. This is due to the unusually large number of horses required to meet annual waste and complete the reserve, an exceptionally small number of remounts having been purchased during the current financial year. We were too sanguine last year, and should have bought more horses, but it was a fault on the right side, and the keep of these extra horses for the better part of a year has been saved.

There is also an increase in Grant No. 6, "Clothing." This is caused by the provision of a large sum (£16,300) which will become due to Messrs. Cooper and Allen, local contractors, for their first supply of country-made boots for the army. This payment will, however, cause a corresponding decrease in the home charges.

Grants 3 and 9, "Regimental pay, allowances and charges" and "Medical establishment, service and supplies," must be considered together, because, while the former shows a decrease of very nearly £255,000 lakhs, the latter records an increase of £70,467, the saving on both Grants combined being £184,519,— a result mainly due to the reduction of regiments and establishments and the Army Medical Department. The complete introduction of the station hospitals in place of the regimental hospitals has also contributed to this very large decrease in military expenditure.

Under the head of Grant 10, "Ordnance establishment, stores and camp equipage," there is an increase which is accounted for by the necessity for replacing the faulty ammunition manufactured at Kirkee, and to which reference has already been made. There is also an increase of £11,000 for camp equipage in Bengal and Madras. In Madras, however, the increased charges for camp equipage are counterbalanced by the abolition of the depot at Nagpore, and reductions in the Gunpowder Factory at Madras and the depot at the Mount. The increase includes £5,800 provided for the purchase, in the local market, of canvas for the Ordnance Department, Bombay. There will be a corresponding decrease in the home indent.

The excess over last year's budget estimate in Grant 13, "Sea transport charges," is chiefly due to an increase of £5,800 in the charges for the Indian trooping service, the estimate for 1882-83 having proved too low.

The saving in Grant 4, "Miscellaneous Services," would have been larger but for the necessity which has arisen for providing for a camp of exercise at Bangalore,—a measure which has been strongly urged upon the Government of India by the local Commander-in-Chief and the Commander-in-Chief in India, it being considered very desirable to give the Madras army the advantage of instruction in field duties and some of the more important operations which would devolve upon officers, soldiers, and departments under the conditions of war.

In Grant No. 15, "Volunteers," provision is made for the additional sum of £3,362. This increase is a welcome one, being rendered necessary by the considerable increase to the number of volunteers in India which has taken place during the past year.

Under the head of Grant 17, "Retired Officers," there is a small increase made in order to provide for the possible payment to officers in India of com-

muted pensions. But it must be remembered that, whilst this increases expenditure in India, it proportionably decreases home charges.

Grant No. 18, "Military Pensions," exhibits increased expenditure. This is on account of pensions due to the Afghan war, and the recent large reductions in the native army.

Such briefly are the principal variations in the items of military expenditure in India, the net decrease on the whole being, as compared with the estimates of last year, £95,700.

Efforts to reduce military expenditure in India have not been confined to the native army. The number of siege guns to be maintained has been reduced by 45 pieces, with a corresponding reduction of 179 bullocks required for their transport. The ordnance depots at Peshawar, Belgaum and Nagpore have been abolished, while large reductions have been effected in the depot at St. Thomas' Mount, Madras.

In the explanation relative to military expenditure in India, which I gave last year, I referred to the intention to immediately extend to the other presidencies the station hospital system, by means of which one British hospital takes the place of several in a cantonment. This measure, which has been found to work admirably, has, during the past year, been further developed, with the result that the Army Medical Department has been further reduced, the strength in officers being now 300 as compared with the old establishment of 373 officers exclusive, in both cases, of the administrative grades.

The Subordinate Medical Department has also been reduced by ten assistant apothecaries, and there are other contemplated changes which are calculated to further reduce expenditure; but their financial effects cannot, at present, be estimated. Reductions in the same direction will follow in the Bombay and Madras establishments.

The married establishment of British soldiers has been fixed at—

Warrant officers	All.
Non-commissioned officers	All.
Royal Artillery	8 per cent. for 5 years, then 6 per cent.
Infantry	4 per cent.

A considerable portion of the reduction on this account has already taken place.

The estimate provides for the following sanctioned changes:—

(*a.*)—Increase in the establishment of non-commissioned officers in heavy and field batteries.

(*b.*)—Grant to quartermasters and riding-masters of British troops of the increased allowance due to the changes in their relative rank.

(*c.*)—Improvement in the position of the native non-commissioned officers by the grant to them of good-conduct pay.

(*d.*)—Formation of two army hospital corps for Madras and Bombay, similar to the one adopted in Bengal; and the appointment of an apothecary to supervise the detailed administration of the Bengal army hospital corps.

(*e.*)—A considerable increase in the amount of practice ammunition for all the troops, European and native.

In addition to the above, the new transport scheme, which has been fairly started in all three presidencies, has been provided for.

The late war in Afghanistan forcibly brought to light many imperfections in our old system of transport, with its attendant enormous expenditure consequent on the want of a proper organisation during a period of peace, and

incapability of rapid expansion when war took place. For some time past this subject has been under the consideration of the Government, and during the past summer the Secretary of State has sanctioned proposals which provide for the equipment of the troops protecting the various frontiers with half transport on service scale, also for certain forces which will be held ready for local service or despatch to a distinct point, the approximate numbers of which are in all 46,000 men.

Under this scheme the country is divided into circles, each with a depot centre, where a certain amount of transport is to be kept on a peace footing, capable of expansion in time of war. Training depots are provided for at the largest stations in India, where detachments will be sent, so that officers and men may go through a course of transport training.

Power is given to mobilise forces as follows within the provincial areas :—

	Men.
Punjab	10,000
Bengal	10,000
Bombay	8,000
Madras	5,000

Arrangements are being made by which the resources of the country in transport will be known, so that it will be easy, at short notice, to supplement the transport in time of need to meet the requirements of war.

The total approximate amount of transport to be maintained in India will be as follows :—

Elephants	600
Camels, Government	396
„ hired	2,500
Mules, Government	8,100
Pack bullocks	1,000
Army transport carts	1,300

Equivalent to a maundage of 51,000 maunds.

A permanent staff for the supervision of the above is provided as follows :—

Bengal.

1 Deputy Commissary-General, Transport.
1 Assistant Commissary-General, Transport.
2 Deputy Assistant Commissaries-General, Transport.
2 Deputy Assistant Commissaries-General, Transport, 2nd class.
5 Sub-Assistant Commissaries-General.

11 Commissioned officers.

Madras.

1 Assistant Commissary-General.
2 Deputy Assistant Commissaries-General.
2 Sub-Assistant Commissaries-General.

5 Commissioned officers.

Bombay.

1 Assistant Commissary-General.
1 Deputy Assistant Commissary-General
2 Sub-Assistant Commissaries-General.

4 Commissioned officers.

The following subordinate establishment has also been provided :—

Bengal.

1	Deputy Assistant Commissary.
5	Conductors.
7	Sub-Conductors.
10	Sergeants.
23	Total.

Madras.

2	Conductors.
3	Sub-Conductors.
5	Sergeants.
10	Total.

Bombay.

1	Conductor.
1	Sub-Conductor.
3	Sergeants.
5	Total

Provision has been made for the cost of this establishment, for equipment, repairs to buildings, allowances to regimental transport staff, pension to inferior servants, &c. The total cost will be about £280,000 per annum.

The old movable column system has been abolished, as it was found an expensive and comparatively useless arrangement. The carriage kept up under that system could not be readily mobilised, and the new transport service will be much more efficient and less expensive.

Consequent on there having been a surplus of mules over requirements, the transport service has been started (since the conclusion of the Egypt war) with selected animals throughout, and both they and their equipment are in first rate order.

An efficient ambulance service in connection with the transport service is being organised in each of the presidencies, which will, it is hoped, provide the army with a percentage of sick transport and equipment on a sounder footing than hitherto and at no additional cost to the State.

The introduction of the new transport service into the Madras and Bombay presidencies has been rendered an easy matter owing to the cordial co-operation of the local authorities in meeting the wishes of the Government of India.

The new scheme, though not at the time nearly completed, has had full trial during the late war in Egypt, for while only in course of formation, it was called upon suddenly to supply carriage for 13,201 fighting men and followers and 5,915 animals, with officers and drivers complete. These proceeded to Suez at the worst period of the monsoon weather, in August and September of last year; and whilst in Egypt the entire success of the new pattern saddle, the completeness of the supervision provided, the advantage of trained attendants, and of regiments being instructed in loading and packing were fully exemplified.

For some time past the Government of India has recognised the need of applying a remedy to the stagnation in promotion which existed in the cavalry cadres of the three presidencies, and the consequent supersession in substantive rank of the local cavalry officers by the staff corps and general lists. To this end the Secretary of State has recently sanctioned measures for ameliorating the position of the cadre officers of the local cavalry lists suffering from

retarded promotion, especially in the junior grades, by allowing all the option of receiving staff corps rates of promotion with staff corps rates of pay on their waiving their claims to the higher cavalry pay when unemployed; those who accepted the above condition being also allowed to attain to colonel's allowances after 38 years' service. These measures have been recently introduced, and have removed all legitimate grounds of complaint, but the additional cost will hardly fall short of £7,000 yearly.

For this change, and all other changes enumerated above, full provision has been made in the estimate.

The fact that next year is leap year calls for a passing remark. The increase on this account for the extra day's pay and rations for British troops, and for the extra forage for horses, &c., is estimated roughly at about £6,000.

Turning to the home charges—

The estimate provides for £195,800 on account of changes which have been made under the orders of the home authorities. This sum is in excess of the budget estimate for 1882-83; the increase, however, being largely met by reductions aggregating £175,600, leaves a net increase of £20,200 as compared with the budget estimate of 1882-83.

The large decrease in the home charges which it was anticipated would result from the policy of substituting, as far as possible, local stores and supplies for articles hitherto imported, has been fully realised. The saving on this account is £124,100. In this direction of late years much has been done. The expenditure for home stores, including freight, which was in 1877-78 £1,154,460, is now estimated for the coming financial year at £504,800. Within the past five years reduction has been effected in this one account to the extent of £649,660.

The economy effected in the above item is, however, nearly all absorbed by the arrangement made at home to commence to liquidate the large arrears due to the War Office for non-effective charges, and £100,000 has this year been set aside as a first annual instalment of the debt.

Last year I pointed out that the charges for retired pay for officers of the Indian army would annually increase until the year 1897 is reached, and this year's estimate makes increased provision on this account. Indeed, these non-effective home charges and their annually increasing cost forcibly remind us of what was said by the Secretary of State for War in the House of Commons on the 24th June 1881, that it would not be before 1893 that the heavy dead weight which was due to that service would begin to diminish, and that meanwhile it would increase, and the automatic increase of pensions would continue whatever economies might be effected.

Such briefly are the remarks I desire to make on the Military Budget Estimate for the year 1883-84. Fully recognizing my responsibility for military expenditure, I have not accepted them without much criticism and examination, and they have caused me anxiety. But on the whole I am satisfied with them, because they maintain the British army at its normal strength in batteries and regiments, and they provide for an addition to the aggregate strength of the army, have provided each regiment with an additional British officer, and have effected a change in organisation which has brought about the elimination from the ranks of the Bengal army of the non-fighting classes, while adding to the establishment of the regiments retained men of the warlike classes. This has been done, and improvement in establishments has been gained at a considerable reduction of expenditure, while, consequent on the liberal concessions sanctioned by the Secretary of State to the men discharged, and the care exhibited by the military authorities, the changes have been carried into effect

without difficulty, and have been accepted by the army without a murmur, and without any of the disquieting effects which were by some anticipated.

Finally, I would say that, if Government are asked what proof they have that the efficiency of the army has been improved, and that the reduction of cadres has not gone too far, and too much reduced our military establishment, I reply, that, while we have reduced the number of our regiments, selecting in Bengal some of those which were almost wholly recruited from the least warlike of the classes in India, we have materially added to the strength of those maintained, have increased the European element in each, and made them capable of proceeding on service without extraneous aid from transfers to them; and that although the demand for Native troops for Egypt came to us at quite the most inconvenient moment it could have done, in July last, just as the reductions sanctioned by the Secretary of State had been carried out and the Government were some 7,000 men short of establishment, no difficulty was found in furnishing the required number of troops, and within eleven days of the receipt of the order directing sea transport to be engaged, the first detachment had sailed from Bombay, and was quickly followed by forty-six transports with troops, horses, followers, and land transport fully complete; and if another 5,000 men had been needed, the Government of India could without difficulty have provided them. This, I think, furnishes a satisfactory reply to those who have asserted that the reductions carried out last year went too far, and dangerously weakened our military strength in India.

(Sd.) T. F. WILSON.

The 10th March 1883.

GOVERNMENT OF INDIA.

DEPARTMENT OF FINANCE AND COMMERCE.

FINANCIAL STATEMENT

FOR

1884-85.

CALCUTTA:
PRINTED BY THE SUPERINTENDENT OF GOVERNMENT PRINTING.
1884.

Summary of Financial Statement.

THE Financial Statement for the year 1884-85 is published in the *Gazette* in the form of a Minute by Sir A. Colvin.

It is explained in the Minute that, owing to the change in the direction of the finances during the year, and in view of the short estimates for opium consequent on the failure of the crop of 1883-84, it has been thought necessary to leave such questions as that of the License Tax and Court Fees untouched for the present; hence during the ensuing year no changes are contemplated.

The Accounts for 1882-83 show a surplus of £706,633. The surplus on the Budget Estimates for that year was £285,000 only, and as the Government of India was called on during the year to bear a heavy expenditure on account of the war in Egypt, and as the item of Exchange exceeded the estimate by £306,400, this result is very satisfactory.

The Revised Estimates for 1883-84 are—

	£
Revenue	70,569,900
Expenditure	70,298,500
Surplus	271,400

Sir Auckland Colvin explains that though the surplus in the Revised Estimates is less than the surplus on the Budget Estimates (£457,000), the deterioration is only apparent, being due to exchange on remittances to the Secretary of State of £1,500,000 in addition to the drawings as originally estimated; and to a payment of £1,000,000 to the War Office on account of arrears of non-effective charges connected with Her Majesty's forces in India. But for these causes, the surplus would have been £1,617,400. The cause of the arrears of non-effective charges is explained to be due to the intricacy of certain actuarial calculations necessary to give effect to the system adopted in 1870 of capitalising the value of the share of pensions chargeable against Indian revenues, and payable by the Indian to the English Treasury. Passing from this abnormal expenditure, the Minute draws attention to the general increase over the Budget Estimates in 1883-84 under the principal heads of revenue other than *Productive Public Works*, amounting to about £800,000, the net increase on the Public Works being £390,900. The consumption of salt has increased 10 per cent. during the eleven months from the 1st March 1883 to the 31st January 1884 as compared with the corresponding period of the year 1881-82, and represents, at ₹ 2 per maund, an increased revenue of rather more than 51 lakhs of rupees; the increase is steady and progressive. The financial results of Railways since the year 1880-81 are dwelt on at some length; the net gain on the 5 years being shown to be £3,270,843. Sir Auckland Colvin states that two carefully selected officers will be sent to England to give evidence before the Parliamentary Committee recently appointed, and adds that in January 1883 the Government of India submitted to the Secretary of State a scheme of works and expenditure calculated to give a great impulse during the next 5 years to the construction of Railways, but owing to the appointment of a Parliamentary Committee its consideration has been postponed. He adds—

"The Government of India is fully alive to the necessity and the advantages, in the interests no less of the State than of the public, of a vigorous policy in regard to its public works. But there are indications that the mercantile public, whose interest in the matter is little less than that of the State, while actively pressing for a policy such as that above indicated, and confident of prospective profits, is disposed to throw the burden and risk of such works as must be undertaken too entirely on the resources of the Government.

These resources are necessarily limited; and if, as is urged, as experience is daily shewing, and as from the figures given in the last paragraph is proved to demonstration, the remunerative character of railway enterprise in India, when prudently carried out, is unquestionable, it may be fairly demanded that those whose interests in that enterprise are so considerable should not be backward in acting on the confidence of which they give to the Government reiterated assurances."

The expenditure in 1883-84 on State Subsidized and Guaranteed Railways is estimated to be £5,357,600, in 1884-85 £6,591,900. Figures are given illustrating the increase in the exports to England of Indian wheat, which have risen from 8,477,479 cwts. in 1882, to 11,243,497 cwts. in 1883, and 19,500,000 cwts. in 10 months of 1884-85. Exports, in general, have increased from £60,937,513 in 1878-79 to £83,485,122 in 1882-83; imports, from £37,800,594 in 1878-79 to £52,095,711 in 1882-83.

Post Office Savings Banks are said to be most successful, but the demand for Stock Notes is small.

The Estimates for 1884-85 are as follows:—

	£
Revenue	70,560,400
Expenditure	70,241,100
Surplus	319,300

The number of chests of opium to be sold in 1885 will be announced hereafter, but will in any case not exceed 50,000; the estimated outturn of present crop being 52,000. The prospects of the crop now on the ground are very good. The average price of Bengal has been taken at R1,250 per chest, as against R1,200 in the Estimates of 1883-84. The Minute analyses the various figures under the Estimates of 1884-85, and with regard to the Land Revenue Estimates, states that important correspondence has recently been exchanged between the Government of India and the Secretary of State having for its object to give temporary settlements of the Land Revenue a degree of permanency in the more populous and advanced parts of the country, which they have hitherto lacked.

The rate of exchange for 1884-85 has been taken at 1*s.* 7½*d.* Provision is made for remittance of £16,500,000 to the Secretary of State in 1884-85. The military charges of 1884-85 have been burdened with an additional sum of £184,300, owing to the decision that the pay and allowances of English soldiers in India shall, in future and from the 1st January 1884, when expressed in sterling, be converted at the rate of exchange fixed annually for the payment of troops in the Colonies. Money remitted to and from India by or for the soldiers will be dealt with in the same way, but with effect from the 1st April. The increased cost of this change will depend on the variations in the rate of exchange, but at the exchange of 1*s.* 8*d.*, the present rate, the soldier's pay is increased 12½ per cent. The cash balance on March 31st, 1884, is estimated to stand at £12,440,000, and that on March 31st, 1885, is estimated at £11,010,850. Sir Auckland Colvin adds that it will be necessary to issue the usual loan for Productive Public Works, £2,500,000, but that he is not empowered at present to say whether the loan will be issued in India or at home.

Finally, the Minute enters at some length into an examination of the accuracy of statements made last year regarding the increase of expenditure in India, and points out that the causes which have led to such increase were not of a nature as to lead to charges of extravagance, being either largely covered by increased receipts in the Departments in which the expenditure took place, or being due to the expenditure by Provincial Governments of large balances which had accumulated during the Afghan war, and of which at that time Provincial Governments could not avail themselves, or, finally, to misapprehension on the part of those by whom complaints of extravagance have been brought.

FINANCIAL STATEMENT for 1884-85.

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FINANCIAL STATEMENT for 1884-85.

Preliminary.

Preliminary.

The circumstances under which the Budget for 1884-85 has been framed, have necessarily required exceptional caution. During the year 1883-84 the management of the Indian finances changed hands; a change which, occurring, as it did, in the latter half of the financial year, renders it obviously advisable that, so far as possible, and unless under extraordinary circumstances, the existing order of things should not be materially disturbed, and postpones to a later time the consideration of projects which otherwise might have received present attention. But, apart from this, there is an essential reason why at the present moment the policy of those entrusted with the Indian finances should be still rather a policy of observation than of action. I allude to the effect on those finances of the changes introduced in 1882-83 in the great departments of Customs and Salt. In the course of his Financial Statement for 1883-84, Sir Evelyn Baring observed (para. 220), "The consideration of any further measure "of fiscal reform must be postponed. Last year a favourable opportunity pre-"sented itself for the execution of some very large and beneficial improvements "in the fiscal system; this year the state of the case is different, the financial "position is perfectly sound, but the situation is one in which great caution is "required. We have to look, not only to the circumstances of the immediate "moment, but also to the contingencies which may arise in future years." Further on, he added that "the Estimates for 1883-84 have been very cautiously "framed," and there was "every reason to believe that the country was well "able to cope with whatever financial difficulties the future might have in "store," (para. 224); and again—"On every ground, therefore, the present moment is a time when great caution should be exercised. Under these circumstances the Government, after full consideration, is of opinion that the wisest course to adopt will be to make no changes in the existing fiscal system, but to allow more time to elapse with a view to watching the effect of those reforms which have already been effected" (para. 228).

Changes in administration of finances during 1883-84, and decrease in Opium Estimates for 1884-85, render necessary a continuance of the caution enjoined by Sir Evelyn Baring in the Financial Statement, 1883-84.

2. Sir Evelyn Baring, at the time he wrote, had in his mind, among other subjects, the prospects of the opium revenue during the year 1884-85. It was already known that the crop of 1883-84 was very deficient, and that the receipts from opium during 1884-85 were certain to be short. The estimated net decrease under this head, in 1884-85, as compared with the Revised Estimate of 1883-84, is not less than £1,378,400. In spite of this decrease, however, the general receipts have so expanded as to enable us to meet expenditure and provide a small surplus without having recourse to further taxation. While, therefore, the abnormal condition of that important source of revenue requires this year a continuance of the "great caution" emphatically recommended in 1883-84 by Sir Evelyn Baring, the general forecast of my predecessor has so far been eminently justified. Results have shown that, notwithstanding the

large remissions of salt and customs and other revenue in 1882-83, amounting in round figures to three millions (conventional sterling), and in the face of a falling off in the net opium revenue of the ensuing year of £1,378,400 as compared with the Revised Estimate, the revenue and expenditure balance themselves without the necessity of recourse to any starving or material reduction of any of the public services. The immediate cause of these satisfactory results, (which must be sought for, ultimately, in the great reforms in Indian finance introduced and developed by Sir John Strachey, and vigorously carried on by my predecessor), will be fully explained elsewhere in the course of these observations; but it follows from the above remarks that it is not my intention in this my first Statement, and at a time when one of our chief sources of revenue has so largely failed us, to enter into a discussion of any of the problems with reference to the Indian finances which are awaiting early treatment. Questions have arisen, for example, regarding the License Tax and the Stamp Duties, which during the ensuing year will require full consideration. But, for the reasons I have given, it would in my judgment be premature and injudicious to attempt at this moment a solution of any of them. I shall limit myself, therefore, to the customary review of the Accounts of 1882-83, to an analysis of the Revised Estimates of 1883-84 (with such remarks as are necessary to enable the public fully to understand the progress of the finances during the year now closing, and the position at the present moment), and, finally, to the Estimates of 1884-85, with a notice of the considerations on which have been based any considerable modifications under the several heads.

The figures in this Statement are as usual given "in conventional sterling," that is to say, £=₹10, unless where the contrary is expressly stated.

Changes in form of Statements appended to Budget.

3. A few words of warning are necessary here with regard to certain changes of classification which have been introduced into the accounts.

4. It has hitherto been the practice, in the case of State Railways, to show in the Estimates and Accounts *gross earnings* on the receipt side and expenses of *working* and *maintenance* on the expenditure side; while, in the case of the Guaranteed Railways, only *net traffic receipts* were shown on the receipt side, and *interest and profits, &c.*, on the expenditure side. When a Guaranteed Railway is purchased by the State it enters into the class of State Railways, and there are obvious difficulties in dealing with it any longer as if it were a Guaranteed Railway.

Changes in Accounts of 1882-83 and Estimates of 1883-84 and 1884-85, in mode of showing expenditure and earnings of Guaranteed Railways purchased by the State.

5. After the East Indian Railway was purchased, it continued, however, to be treated in the Estimates and Accounts in the manner in which Guaranteed Railways are treated, and this plan was followed in the Estimates for 1883-84 published with the Budget Statement of March last. It has since been decided by the Secretary of State that Guaranteed lines purchased by the Secretary of State shall be treated in this respect in future as if they were State Railways, and the Accounts of 1882-83 have been made up in accordance with this order, which is also followed in the Revised Estimates of 1883-84 and the Budget Estimates of 1884-85. The effect of this change is to augment the total revenue and the total expenditure when a Guaranteed Railway becomes the property of Government, without in any way, of course, influencing the final result.

6. It has also been found desirable to alter the headings on the expenditure side in the group of Productive Public Works (Revenue Account). In future the headings will be as follows:— *Changes in headings of Productive Public Works (Revenue Account), Expenditure side.*

Expenditure on Productive P. W. (Revenue Account)—

36.—State Railways (Working Expenses).
" East Indian Railway (Working Expenses and Surplus Profits).
37.—Guaranteed Railways (Surplus Profits, Land, and Supervision).
38.—Irrigation and Navigation (Working expenses).
39.—Charges in respect of Capital.
(*a*) Interest on Debt—
State Railways.
East Indian Railway.
Irrigation and Navigation.
(*b*) Annuities in purchase of Guaranteed Railways (including Sinking Funds).
(*c*) Guaranteed Railways Interest.

7. To facilitate comparison, the Budget Estimates of 1883-84 have been recast according to the classification adopted in the Revised Estimates of the year, and are published as Appendix II to this Statement. *Budget Estimate of 1883-84 recast according to revised classification.*

8. It may also be noted here that with the Financial Statement of 1883-84, a general Comparative Statement of Revenue and Expenditure for the years 1871-72 to 1883-84 was published as Appendix III. Examination of the figures in the Public Works Department which, at the time of the publication of the Statement, was not yet complete, has since rendered it possible to determine how much of the interest on the whole debt of India which was shown in one figure as *Interest on Ordinary Debt* in the Accounts of 1871-72 to 1875-76, (both years inclusive), belongs properly to the head of *Productive Public Works*. It also became possible to settle differences between the Civil and Public Works Accounts in the matter of classification, and to eliminate the debits and their corresponding credits arising out of cross transactions that occurred between Imperial, Provincial, and Local. In view of the above and other alterations, it is deemed necessary to republish the Comparative Statement, classified and arranged according to the plan now adopted in the Accounts, and brought forward to the year 1884-85. The statement is accordingly reproduced as Appendix III. *Comparative Statement of Revenue and Expenditure from 1871-72 to 1883-84 re-published with certain modifications and brought down to 1884-85.*

Accounts for 1882-83.

9. The Accounts of the year 1882-83 give the following results:—

	£
Revenue	70,125,231
Expenditure chargeable thereon	69,418,598
Surplus	706,633

10. The result cannot be considered as other than most satisfactory, when it is recollected that the surplus on the Budget Estimates of the year was only £285,000, that the Government of India was suddenly called on during the year to bear a heavy expenditure on account of the war in Egypt, and that the item of exchange considerably exceeded the Estimate. *Resumé of chief points in Accounts, 1882-83.*

A full explanation of the causes of increase and decrease will be found in the Appropriation Audit Report, to be published in the *Gazette of India* of 15th instant.

It will be sufficient to say in this place that there were large and satisfactory increases under *Land Revenue* £389,047, *Salt* £128,781, *Excise* £278,561 *Customs* 115,119, *Forest* £129,228 in the Civil Branch. Productive Public Works were better on the net account by £86,400; and this improvement was shown, although the amount of Land Revenue due to Productive Public Works was reduced in the actuals from that shown in the Estimates by transferring £215,900 from the Productive head to that of ordinary Land Revenue.

Excluding war expenditure the actual receipts and expenditure connected with the Army closely follow the Estimates.

The ordinary receipts proved to be £139,500 in excess of the Budget Estimate, and the ordinary expenditure to be £10,400 in excess of it.

The expenditure on account of the expedition to Egypt proved to be £1,284,000, and the receipts in connection with it (chiefly the English contribution of £500,000 (true sterling)), £584,700; the net charge in the accounts of the year was therefore £699,300.

Exchange was worse *net* by £306,400, of which £165,300 occurs under Secretary of State's bills and is due to the average rate of exchange falling below 1*s.* 8*d.*, the rate adopted in the Budget, and £114,000 is due to transactions connected with the Southern Mahratta Railway.

General Remarks on the Revised Estimates for 1883-84.

Revised and Budget Estimates, 1883-84.

11. The Budget and Revised Estimates for 1883-84 compare as follows:—

	£
Budget* Estimates—	
Total Revenue	69,022,000
Total Expenditure chargeable thereon	68,565,000
Surplus	457,000
Revised Estimates—	
Total Revenue	70,569,900
Total Expenditure chargeable thereon	70,298,500
Surplus	271,400

Surplus of the year reduced by special and temporary causes.

12. It will be seen that the surplus on the Revised Estimates is actually less than the surplus on the Budget Estimates, but the deterioration is only apparent. The Revised Estimates provide for the remittance to the Secretary of State of £1,500,000 (true sterling) in addition to the drawings of the year as originally estimated, and this adds about £346,000 to the expenditure of the year under the head of Exchange; the Revised Estimates also provide for the payment of £1,000,000 (true sterling) to the War Office on account of arrears of non-effective charges connected with the portion of the British Army serving in India; another sum of £1,000,000 added to the expenditure. The expenditure of the year has thus been increased from temporary and special causes by no less than £1,346,000. Apart from these causes the surplus would have been £1,617,400, a very remarkable increase over the surplus of the Budget Estimate, namely, £457,000. It is unnecessary at present to enter at any

* The Budget Estimates with which comparisons are made are the Budget Estimates as recast in the new form; *vide* Appendix II.

length into an explanation of the causes which have led to the claim on account of arrears of non-effective Army charges. Correspondence on the subject is still continuing between the Government of India and Her Majesty's Government, and doubtless in due course will be published. It will be sufficient to explain here that prior to 1822 the East India Company was not called on to pay anything for non-effective charges on account of the portion of the British Army serving in India, but that from 1822 to 1861 the rule which governed the division of these charges between England and India was one of a fixed payment by India to England of £60,000 a year; that from 1861 to 1870 this latter rule was abandoned in favour of a capitation payment; and finally, that in 1870 the principle of a capitation payment was abandoned in favour of a system under which the capitalised value of the share of the pensions chargeable against Indian Revenues is paid by the Indian to the English Treasury. Thus if a soldier is discharged on pension after serving a portion of his time in India, the latter country is held to be liable for a share of his pension, bearing the same ratio to his whole pension that the period of his service in India bears to his whole service, and the capital value of the share of the pension chargeable to India is paid over to the English Treasury, which then becomes liable for the whole pension. The system introduced in 1870 is the system in force at present, and owing to delay at home in preparing the intricate calculations necessary before presenting the final accounts, arrears have accumulated, to the payment of which the million sterling above referred to will be devoted. The calculation of the amount payable by India is necessarily very complicated, as it depends largely on the death rate of special classes, for whom special life tables had not been constructed, and because the Indian Government is entitled to set-offs and credits of various kinds. It was known, therefore, that the calculations were in arrears, and that payments had not been made of the full sums that would ultimately be claimed, but the Government of India was wholly unprepared for the magnitude of the claims, (nearly 2¼ millions true sterling), suddenly made against it.

Proposals have been made to Her Majesty's Secretary of State for India for the payment of the large amount of arrears still outstanding, as well as of current charges, under a system which will not lead to any increase of expenditure over the sum originally provided in the Estimates of 1883-84 on this account. It has been possible to propose an arrangement of this nature, because it is expected that, owing to the short service system, the sums due on account of these non-effective charges will be reduced in future years. No answer to this proposal has yet been received from the Home Government.

Increase of Revenue over Estimate, 1883-84.

13. The increase under almost all the principal heads of revenue during 1883-84 is most satisfactory. Before proceeding to analyse the figures which make up these totals, a general review of the causes of increase will assist in enabling us to understand what the broad results of the year have been. Thus, under the principal heads of revenue, that is to say, under *Land Revenue*, *Opium*, *Salt*, *Stamps*, *Excise*, *Provincial Rates*, and *Forest*, there is an increase over the Budget Estimates of little more than £800,000, indicating a continuance of material prosperity throughout the country; while under *Productive Public Works*—(*Revenue Account*), including State Railways, the East Indian Railway, and Guaranteed Railways, the *net* increase amounts to £390,900.

14. Nothing shows more strikingly than the last figures, what an important part the Railway receipts are now taking in the Indian finances, and how largely those finances are indebted to the export trade for the elasticity which has enabled them in 1883-84 to meet an increased expenditure due to special causes of £1,346,000, and, at the same time, to present a surplus of £271,400.

15. The increase in the consumption of salt may be judged from these comparative figures:—

Comparative consumption of salt, 1881-82, 1883-84.

Consumption of Salt during the eleven months from March 1st, 1883, to January 31st, 1884, compared with the corresponding period of the year 1881-82.

Province.	Consumption, March 1st, 1881, to January 31st, 1882.	Consumption, March 1st, 1883, to January 31st, 1884.	Percentage of increase + or of decrease —
	Maunds.	Maunds.	
Bengal	8,207,000	8,850,000	+ 7·83
Inland Customs	6,178 000	6,459,000	+ 4·55
Bombay	4,361,000	4,789,000	+ 9·81
Sindh	148,000	176,000	+18·91
Madras	5,604,000	6,800,000	+21·34
TOTAL	24,498,000	27,074,000	+10·52

16. The following shows the increase or decrease in consumption of salt for the eleven corresponding months of each year from 1874-75, as compared with the previous year:—

General increase and decrease of consumption of Salt from 1874-75 to 1884-85.

				Increase in Maunds.
March 1st, 1874, to January 31st,	1875	. . . .	+	288,000
„ 1875 „	1876	. . . .	+	77,000
„ 1876 „	1877	. . . .	+	498,000
„ 1877 „	1878	. . . .	+	491,000
„ 1878 „	1879	. . . .	+	367,000
„ 1879 „	1880	. . . .	+	1,724,000
„ 1880 „	1881	. . . .	—	690,000
„ 1881 „	1882	. . . .	+	1,016,000
„ 1882 „	1883	. . . .	+	1,603,000
„ 1883 „	1884	. . . .	+	973,000

Increased consumption of 11 months represents 51 lakhs increased revenue.

This increase of consumption in 11 months of 1883-84 over the corresponding months of 1881-82 represents, at R 2 per maund, an increased revenue of rather more than 51 lakhs of rupees.

17. In his Financial Statement for 1883-84 (para. 111) Sir E. Baring calculated the increased consumption at that date as equivalent to an additional revenue of £320,600, adding that "to the extent of this sum, therefore, it may be said that the loss of revenue consequent on the reduction of duty (£1,400,000) has been recouped by the increased consumption of eleven months." He went on to say (para. 116), "Should the same rate of increase continue, the revenue, at the reduced rate of duty, will, in less than three years from the present time, stand at the same figure as it did prior to the reduction of the duty." The increase, though very considerable, has not been at the rate of 1882-83, but it is still steadily progressive. From the following figures will be seen the net increase taken in the Estimates and the figures of Actuals or Revised Estimates for each year from 1882-83:—

	Estimates. Net revenue.	Actuals.
	£	£
1882-83	5,410,000	5,728,751
1883-84	5,620,700	5,788,300 (Revised Estimates).
1884-85	5,807,200	

Increase taken on the Estimates since 1882-83.

Increase in Estimates of 1884-85 over Estimates 1882-83, £397,200.
Increase in Actuals, 1882-83, over Estimates 1882-83, £318,751.
Increase in Revised Estimate, 1883-84, over Actuals, 1882-83, £59,549.

It will be observed that the increase in the Estimates of 1884-85 over the Estimates of 1882-83, namely, £397,200, is considerably less than the increase (£510,000) worked out in para. 16 from the figures showing the increase in consumption; the difference is due to the fact that the effects of a considerable increase of consumption were discounted in framing the Estimates of 1882-83, and also to the causes explained hereafter in para. 36.

Ratio of increase in salt consumption in the several Provinces.

18. It will have been seen that the percentage of increase between the two periods is 10·52; the lowest figure, under Inland Customs, 4·55, and the highest, in Madras, where the percentage of increase rises to 21, or within 3 of the figure necessary to place the revenue at the present rate, on an equality with the revenue leviable under the former duty. The Inland Customs in 1882-83 showed a decrease of 1·07 due to the competition of Bombay and Cheshire salt. In spite of this competition, however, it now shares in the general increase. A glance at the second of the above tables shows that the increase during 1883, though less than that in the preceding year, amounted nevertheless to 973,000 maunds, being equivalent to a revenue of £194,600. It may fairly be assumed, in presence of so constant and large an increase, that the consumption of salt will yield a progressively increasing revenue for some time to come, and holds out the hope that should a further reduction of duty be hereafter made, it may be met as promptly and satisfactorily by a corresponding expansion in the demand.

19. A comparative statement is subjoined, showing the fall in prices of salt per maund in January 1884, June 1882, and January 1883, as compared with February 1882. With the exception of Bombay and Rajputana, the fall in prices in January 1884 as compared with February 1882 is on the whole sensibly greater than was the fall in January 1883, compared with the same date. It will be recollected that the salt duty was reduced in March 1882.

Price per maund of Salt in the second half of February 1882, and fall in prices in June 1882, and in January 1883 and 1884, as compared with the second half of February 1882.

Comparative prices of February and June 1882 and January 1883 and 1884.

Provinces.	Second half of February 1882.			Fall in prices per maund in June 1882 as compared with February 1882.			Fall in prices per maund in January 1883 as compared with February 1882.			Fall in prices per maund in January 1884 as compared with February 1882.		
	₹	a.	p.	₹	a.	p.	₹	a.	p.	₹	a.	p.
Madras	3	2	5	0	8	1	0	8	9	0	8	10
Bombay	2	15	5	0	4	11	0	6	4	0	3	6
Bengal	4	7	1	1	0	7	1	0	11	0	15	9
Assam	5	9	1	0	12	8	0	14	11	1	0	0
North-Western Provinces	4	3	4	0	6	5	0	9	10	0	10	5
Oudh	4	7	1	0	6	8	0	9	0	0	13	3
Punjab	3	9	10	0	9	1	0	10	2	0	10	5
Central Provinces	4	9	2	0	6	3	0	10	9	0	13	8
Hyderabad Assigned Districts	4	7	1	0	6	8	0	9	5	0	14	1
Mysore	4	2	1	0	3	3	0	5	2	0	5	1
Coorg	4	6	7	0	3	3	0	2	9	0	8	6
Rajputana	3	9	2	0	5	9	0	8	8	0	7	6
Central India Agency	4	1	3	0	7	9	0	10	9	0	10	9

Comparative increase in receipts under Railways from 1880-81 to 1884-85.

20. Turning to the other source of revenue which has mainly helped to make good any loss that might have been anticipated from the remission of the customs and salt duties, we find a still more satisfactory result in the receipts alluded to in para. 14, *viz.*, the receipts from Railways. There may very well be two opinions as to the extent to which receipts from Railways should be regarded as a source of permanent revenue in India, especially in view of the need of removing all obstacles in the shape of transit charges on the export of our produce; but there can be only one conclusion as to the assistance afforded during the last three years to the resources of the exchequer by the increased activity of that period.

21. To make any attempt to show the progress of the revenue derived from Railways, we must go back to the year 1880-81, as the year 1881-82 was altogether exceptional; and, although slightly anticipating, we must include in our comparison the estimates of the coming year. The transactions of Railways in the Budget Estimate of 1884-85 (as explained in paras. 4 and 5) are shown for the first time in a new form recently prescribed by the Secretary of State, and, in order to make a fair comparison with previous years, the figures of those years have been revised in the new form.

22. The revenue receipts from the East Indian Railway are now shown in the gross under Revenue, and the payments to the deferred annuity-holders on account of surplus profits earned on this Railway, as well as the contribution to the Provident Fund are shown under Expenditure along with the working expenses. In the Budget Estimate of 1884-85, the Revenue transactions of the Eastern Bengal Railway up to the 1st of July, the date of the intended purchase of that Railway, have been shown under Guaranteed Railways, and for the remainder of the year under State Railways.

23. The growth of the Railway Revenue will be best seen from the following figures:—

Net Result to the State from its connection with Railways from the year 1880-81.

	Actuals, 1880-81.	Actuals, 1881-82.	Revised Estimate, 1882-83.	Actuals, 1882-83.	Budget Estimate, 1883-84.	Revised Estimate, 1883-84.	Budget Estimate, 1884-85.
	£	£	£	£	£	£	£
STATE RAILWAYS.							
Net Revenue	661,377	870,150	1,050,400	1,112,151	1,157,700	1,396,300	1,684,200
Interest	1,204,660	1,160,445	1,226,400	1,226,702	1,308,000	1,321,000	1,527,300
NET GAIN	—543,283	—290,295	—176,000	—114,551	—150,300	75,300	156,900
EAST INDIAN RAILWAY.							
Net Revenue *less* Surplus Profits	2,647,479	3,063,547	2,598,100	2,531,890	2,718,800	2,984,700	2,797,700
Interest and Annuity	1,390,542	1,673,688	1,706,900	1,703,398	1,710,100	1,706,100	1,718,100
NET GAIN	1,256,937	1,389,859	891,200	828,492	1,008,700	1,278,600	1,079,600
GUARANTEED RAILWAYS.							
Net Revenue	2,913,543	3,615,625	3,530,000	3,582,946	3,539,000	3,365,000	3,613,000
Interest and Profits	3,677,809	3,679,847	3,846,400	3,876,644	3,884,500	3,931,370	3,770,260
NET LOSS	764,266	64,222	316,400	294,598	345,500	566,370	157,260
NET GAIN TO STATE	—50,612	1,035,342	398,800	419,343	512,900	787,530	1,079,240

State Railways.

24. In the year 1880-81 the net Revenue yielded by the State Railways classed as Productive Public Works fell short of the interest charges on the

capital outlay by £543,283. In 1882-83 the deficit was reduced to £114,551. In the Budget Estimate of 1883-84 the charge was placed at £150,300, but owing to the increased prosperity of the year it is now estimated that these Railways will yield a profit in excess of all charges of £75,300. In 1884-85, including the estimated returns from the Eastern Bengal Railway for 9 months of £128,200, it is anticipated that the State Railways will yield a surplus of £156,900.

East Indian Railway.

25. The East Indian Railway in 1880-81 added £1,256,937 to the revenues of the State after meeting all charges. The returns this year were exceptionally favourable, as the payments of only nine months' annuity fell in this year. In the year 1882-83 the returns from this Railway were £828,492. In the Budget Estimate of 1883-84 the returns were placed at £1,008,700, and these have been increased in the Revised Estimate to £1,278,600. The amount of £1,079,600 entered in the Budget Estimate of 1884-85 should be realised.

Guaranteed Railways.

26. In the year 1880-81 the net receipts from Guaranteed Railways fell short of the charges for interest, surplus profits, &c., by £764,266. In 1882-83 the deficit was reduced to £294,598. The net charge on this account provided for in the Budget Estimate of 1883-84 amounted to £345,500, and this has been increased in the Revised Estimate to £566,370; the increase is chiefly due to the falling off in the traffic of the Eastern Bengal Railway, and to a sum of £325,000, the estimated loss on the Indus Flotilla, having been written off to Revenue; but for this special item, the loss would have been reduced to £241,370. It is estimated that the loss in 1884-85 will not exceed £157,260.

Net gain by Railway receipts in five years.

27. Including the estimates of the years 1883-84 and 1884-85, the net results to the State from its connection with Railways, commencing from the year 1880-81, is as under:—

	£
1880-81 Loss	50,612
1881-82 Gain	1,035,342
1882-83	419,343
1883-84 Revised Estimates	787,530
1884-85 Estimates	1,079,240
Net Gain in 5 years	3,270,843

Scheme for railway extension submitted by Government of India to Secretary of State in January 1883.

Appointment of a Parliamentary Committee to enquire into Indian Railways.

28. The Government of India submitted to the Secretary of State in January 1883 its views on the extension of the railway system in India, and proposed for adoption a scheme of works and expenditure calculated to give a great impulse, whether by State or private enterprise, to the construction of railways during the next five years. The appointment of a Parliamentary Committee to examine into the subject has led temporarily to the scheme being put aside; but the Government has lost no opportunity of urging its views on the Secretary of State, and insisting on the great importance which it attaches to a comprehensive and vigorous treatment of the question. It has deputed two carefully selected officers to represent those views before the Committee, and it has every confidence that their representations will receive the attention which the importance of the subject and their own experience deserve. The Government of India is fully alive to the necessity and the advantages, in the interests no less of the State than of the public, of a vigorous policy in regard to its public works. But there are indications that the mercantile public, whose interest in the matter is little less than that of the State, while actively pressing for a policy such as that above indicated, and confident of prospective profits, is disposed to throw the burden and risk of such works as must be undertaken too

entirely on the resources of the Government. These resources are necessarily limited; and if, as is urged, as experience is daily showing, and as from the figures given in the last paragraph is proved to demonstration, the remunerative character of railway enterprise in India, when prudently carried out, is unquestionable, it may be fairly demanded that those whose interests in that enterprise are so considerable should not be backward in acting on the confidence of which they give to the Government reiterated assurances. This view of the question has been forcibly stated in a leading article of the "Economist" in its issue of 2nd February last, in words which may be aptly quoted here at this moment;

Remarks of the "Economist" on the attitude of the mercantile classes.

"But if the new undertakings promise so well, where is the necessity for a Govern-"ment guarantee? One can understand the Government coming forward in the infancy "of a railway system, where every thing as regards the future is in a state of complete "uncertainty, and offering special inducements to investors. In the case of India, how-"ever, the experimental stage is past. Experience has demonstrated the paying character "of the Indian railways, and at the present time especially, when the great difficulty is "not to find capital for sound and profitable undertakings, but to find proper outlets for "capital, private enterprise ought surely to be sufficient to supply India with the railways "she needs. It is true that investors have not yet shown a disposition to put their money "in such undertakings. That, however, is largely because their remunerative character "has not been sufficiently realised, and in part, also, because the system of granting "guarantees has created the wrong impression that without a guarantee the venture was "too risky to be undertaken. Now, however, that Chambers of Commerce, both here and "in India, are urging the fact that the railways are paying concerns as a reason for the "State committing itself further to their construction, the idea that they are investments "involving so much more than the ordinary risk that a Government guarantee is essential, "should be exploded. And the merchants constituting these Chambers ought really to "show the courage of their opinions. They can influence the flow of capital to a very "great extent, and there is the greater reason why they should direct it to Indian railways, "because from these they, on their own showing, will reap a double gain. The new lines, "as they rightly point out, will greatly increase the trade of the country, and thus tend to "the profit of those by whom the trade is conducted, in addition to returning a fair profit "upon the capital invested in them. Private enterprise, therefore, we think, might do "and ought now to do, without the State crutch upon which it has hitherto been leaning."

Expenditure on State and Guaranteed Railways during 1883-84, 1884-85.

29. In connection with this subject the subjoined table shows at a glance the capital expenditure of Government and the Guaranteed Railways on the Revised Estimates of 1883-84 and the Budget Estimate of 1884-85. It will be seen that during the ensuing year the State expenditure is estimated at £4,137,500 against £3,497,100 in 1883-84, the expenditure of the Guaranteed and Southern Mahratta Railways being £2,454,000 against £1,860,500; the total estimated expenditure of 1884-85 being £6,591,900 against £5,357,600, in the Revised Estimates of 1883-84. The expenditure of private Companies is given so far as it is known; but the figures for the Companies marginally noted cannot be given, though it would certainly be but a fraction of the totals quoted above.

Bengal and North-Western Railway.
Tarakesar Railway.
Assam Trading Railway.
Darjeeling-Himalayan.
Rohilkhand-Kumaon.
Burdwan-Kutwa.

	Revised Estimate, 1883-84.	Budget Estimate, 1884-85.
	₹	₹
(1) Directly expended by Government.		
On Railways classed as Productive	3,06,98,000	2,15,19,000
On Railways not classed as Productive	—*46,16,000	†3,20,000
On Protective Railways	62,59,000	1,13,86,000
On East Indian Railway (excluding converted annuities)	23,80,000	54,00,000
On Eastern Bengal Railway (excluding debentures)	...	10,00,000
On Western Deccan Railway	2,50,000	17,50,000
	3,49,71,000	4,13,75,000
(2) Expenditure on the responsibility of Government.		
Guaranteed Railways	1,09,34,000	1,44,56,000
Southern Mahratta Railway (Company's Estimates)	76,71,000	1,00,88,000
	1,86,05,000	2,45,44,000
	5,35,76,000	6,59,19,000
(3) Expenditure by Private Companies.		
Bengal Central Railway. Withdrawals in India	20,02,000	70,000
Bengal Central Railway. Withdrawals in England converted at par	9,80,000	5,50,000
	29,82,000	6,20,000

It may not be generally known that there was expended in 1883-84 on Railways no less than £5,357,600, for the interest on which Government is liable, and that the amount to be similarly expended in 1884-85 is £6,591,900. A further sum of £680,000 might be allotted for expenditure on Productive Public Works this year, without exceeding the limits placed on such expenditure by the Home Government, if funds were available. But funds, so far as can be judged at present, cannot be made available without borrowing more than the usual Productive Public Works loan of £2,500,000,—a course which, for sufficient reasons, and in the present state of the money market, is not considered expedient. The grant of this additional sum of £680,000 must therefore await a more favourable moment.

Increase in imports and exports.

30. Closely connected with the expansion of the Railways has been the increase of imports and exports. In Appendix IV will be found tables showing the imports and exports of merchandise during the last ten years, as well as those of gold and silver, and a statement of the coinage of silver at the Mints of Calcutta and Bombay from 1873-74 to 1882-83 and for ten months of 1883-84. These tables show that exports have risen from £60,937,513 in 1878-79 to £83,485,122 in 1882-83; imports having risen from £37,800,594 in 1878-79 to £52,095,711. A remarkable feature in these statements is the large net import

* Excluding expenditure on Surveys and Miscellaneous charges amounting to ₹ 8,70,100.
† Ditto Ditto Ditto Ditto to ₹ 13,47,000.

Increased imports of Gold.

of gold from the 1st April 1879 up to the 31st January 1884, amounting to no less than £19,996,987, the imports of the 10 months of 1883-84 alone being little less than the total imports of the 5 years from 1873-74 to 1877-78.

Wheat and oil seeds.

In Tables II and III, published in the *Gazette of India* of the 15th March, is shown the steady development in the shipments of wheat and oil-seeds. Of wheat, during the 10 months of the current year, 19,500,000 cwts. have been exported, and though, owing to large stocks and low prices in the English market, the trade is less active at present, the year will close with an export of no less than 1,000,000 tons. A table, similar to that given in para. 160 of the Financial Statement of 1883-84, is subjoined, presenting the comparative results of the import of wheat into Great Britain from India and other countries, during the years 1882 and 1883, showing again the increasing extent to which the English market is supplied by wheat imported from this country.

Table of imports of wheat and wheat flour into England.

Quantity of Wheat and Wheat Meal and Flour imported into England from foreign countries in the calendar years 1882 and 1883.

	Wheat.		Wheat Meal and Flour.		Total.	
	Quantity.		Quantity.		Quantity.	
	1882.	1883.	1882.	1883.	1882.	1883.
	Cwt.	Cwt.	Cwt.	Cwt.	Cwt.	Cwt.
Russia	9,571,021	13,293,358	...	...	9,571,021	13,293,358
Germany	3,083,921	2,871,095	1,990,403	1,928,769	5,074,324	4,799,864
France	7,379	9,498	220,269	163,898	227,648	173,396
Turkey	526,439	1,128,074	...	...	526,439	1,128,074
Roumania	194,591	403,937	...	...	194,591	403,937
Egypt	174,862	1,174,391	...	...	174,862	1,174,391
United States—						
On the Atlantic	20,347,230	14,259,195	7,777,262	11,270,918	42,836,885	37,336,750
On the Pacific	14,712,393	11,806,637				
Chili	1,656,361	2,310,126	...	...	1,656,361	2,310,126
British East Indies	8,477,479	11,243,497	...	...	8,477,479	11,243,497
Australasia	2,475,127	2,691,614	...	...	2,475,127	2,691,614
British North America	2,684,828	1,798,056	339,305	469,460	3,024,133	2,267,516
Other Countries	259,991	1,090,966	...	...	259,991	1,090,966
Other Countries	...	...	2,701,466	2,460,484	2,701,466	2,460,484
Total	64,171,622	64,080,444	13,028,705	16,293,529	77,200,327	80,373,973

31. The success of the Post Office Savings Banks has been most satisfactory.

Post Office Savings Banks.

On 31st December 1882 there were 2,928 Savings Banks Accounts opened with the various Post Offices by Europeans and Eurasians. On 31st January 1884, 13 months later, there were 7,407 such accounts open. On the same dates the number of accounts opened by Natives of India were 28,770 and 71,651 respectively; on the former date the balance at credit of depositors was £207,876. On the latter date it was no less than £687,122. On 1st instant the balance was approximately £704,272. About $\frac{5}{6}$ths of the whole balance appertain to the Accounts opened by Natives of India. The system of Post Office Savings Banks was extended to the Presidency Towns on

Extended to Presidency Towns.

1st May last, (to Madras on 1st April), but this extension has not been attended with the increase of deposits which was anticipated. This result is probably due to the fact that greater facilities for the investment of small sums in a profitable manner exist in Calcutta than in the interior of the country. The total number of accounts opened in Presidency Towns is only 3,858, and the total deposits on 29th February only came to £29,257.

The proportion of European and Eurasian investors to Native investors in Presidency Towns is double the proportion which prevails for the whole country.

Scheme of Life Insurance and purchase of Deferred Annuities for postal employés.

A scheme for Life Insurance and for the purchase of Deferred Annuities was introduced during 1883-84 for the benefit of postal employés only. It is too soon yet to form any opinion as to its prospects of success.

District and Presidency Savings Banks.

32. The number of depositors in District and Presidency Savings Banks on 31st March 1883 was 88,836, of whom 68,604 were Natives of India, and 20,232 were Europeans and Eurasians. The total balances of deposits on the same date came to £3,113,700, and as the aggregate balance was reduced between 31st March and 31st December 1883 by £44,700, it would seem that these Savings Banks are being affected by the opening of the Post Office Savings Banks.

Stock Notes.

33. Up to 31st March 1883 the value of Stock Notes issued was £169,200. In 9 months from that date, namely, to end of December 1883, notes to the value of only £21,200 were issued, so that the total amount that had been issued up to the beginning of the present calendar year was £190,400.

Analysis of Figures of Revised Estimate of Revenue and Expenditure for 1883-84.

Receipts.

34. Passing from the above general considerations to particulars, it will be seen that the chief items of increase in revenue, as shown in the Revised Estimate, over the figures entered in the Budget, are the following, against each of which a brief explanation is given :—

Opium.

35. *Opium.*—£283,200. The increase is chiefly due to sales of Bengal opium having realised a higher price than the figure taken in the Estimates, namely, ₹1,250 as against ₹1,200 per chest; on the other hand, there may be a slight falling off in the revenue from Malwa opium, owing to exports being below the estimate.

Important financial results of Mr. H. Rivett-Carnac's experiments in the manufacture and preparation of Malwa Opium.

The Government is indebted to Mr. H. Rivett-Carnac, Opium Agent at Benares, for strengthening its opium revenue during the year 1883, and, in a lesser degree, in the previous year, by the manufacture and preparation of Malwa opium into a form suited for local consumption. Mr. Carnac, by his successful experiments in this direction—experiments which deserve the cordial recognition of the Government of India—set free in 1882 1,372, and in 1883, 3,000 chests of provision opium, (or opium that is available for export), at a profit to Government in the former year of ₹1,94,845, and in the latter, of ₹7,56,347. Arrangements of a similar nature have been made during the ensuing year, which may be expected to yield a corresponding profit. It is calculated that so long as the cost of the Malwa drug at 90° consistence, does not exceed ₹413 per maund, and the selling price of provision opium is not less than ₹1,202 for Patna, and ₹1,142 for Benares opium, the scheme for substituting Malwa for Bengal opium for manufacture into excise opium is, financially speaking, likely to prove successful. The Malwa opium was first tried in the North-Western Provinces and in the Central Provinces, in both of which it met with some opposition, but later reports are favourable, the North-Western Provinces Excise Commissioner reporting that "the taste of the people is

"no doubt becoming reconciled to the new drug." The Excise Commissioner, Central Provinces, writes—

"I reported that complaints had been received from some districts in regard to the "quality of the new opium, and also in regard to the weight of the cakes. I then stated "that the complaints as to its quality appeared to be exaggerated, and it would seem "from further information since received from district officers, that this was the case. The "new Malwa opium contains more oil than the Bengal opium formerly supplied. It also "differs from it in flavour, and when the former was recently substituted for the latter "in the North-Western Provinces, complaints (I am informed by the Commissioner of "Excise) were loud, but the people there are becoming accustomed to the taste of the "new drug, and complaints have apparently ceased. Here, too, the probability is that "the people will soon become used to the flavour of the Malwa opium and be satisfied "with it."

The experiment has been since extended to Assam and Burma, but the results have not yet been reported to the Government of India.

Salt. 36. *Salt.*—£100,200. The figures already given showing the increase in the consumption of salt will explain this item. Briefly, the consumption of salt continues in excess of the figure assumed in the Estimates, and there seems every probability that it will continue to do so. The increase of revenue, however, lags somewhat behind the increase of issues of salt from the depôts, as in some places, notably in Madras, a system is in force under which by giving security the payment of the duty can be postponed for six months after date of issue to the wholesale purchaser.

Excise. 37. *Excise.*—£151,500. The increase is due to a prosperous year, and is distributed throughout the various provinces; but the chief items of increase will be found under *Bengal*, the *North-Western Provinces*, and *Bombay*. The Excise administration in the latter province has been singularly successful.

Forest. 38. *Forest.*—£74,100. The increase occurs almost entirely in Burma and Bombay, and is the result of extended operations.

Law and Justice. 39. *Law and Justice.*—£56,000. The marked decrease which occurs under this head is due mainly to the introduction of the recent policy of the Government in discouraging the more remunerative kinds of jail manufacture, which were held to compete injuriously with private local enterprise. The loss is balanced, however, by a similar decrease in expenditure on account of purchase of raw material for manufacture.

Police. 40. *Police.*—£84,600. This increase is a mere matter of account. It occurs in the Punjab and Bombay, and is due to a change of system by which contributions towards municipal police, as well as the cost of that body, are shown under the receipt and charge head of *Police*.

Scientific and other Minor Departments. 41. *Scientific and other Minor Departments.*—£14,700. Unexpected sales of Cinchona Bark in Madras and in England account for nearly the whole of this increase.

Interest. 42. *Interest.*—£139,800. Arrears of interest on the loans to the Bombay Port Trust, previously taken in reduction of capital debt, but now transferred to interest, and interest on investments of cash balances of Famine Insurance money in England.

State Railways. 43. *State Railways.*—Gross earnings, £356,800. This increase is due to the improvement in goods traffic, and is found chiefly in the two Imperial Railways, the *Rajputana-Malwa*, £160,000, and the *Indus Valley*, £182,500. The opening of the *Rewari-Ferozepore* line, and the recent reductions of rates on the *Rajputana-Malwa* line, have swelled the receipts of that line, while the great development of the export wheat trade from Kurrachee has led to the receipts as shown under the *Indus Valley*. The *East Indian Railway* gross receipts increase £375,000. This is mainly due to the export trade, and, partly to some increase in 3rd class passenger traffic.

44. *Guaranteed Railways,* net traffic receipts decrease £174,000. The following is an analysis of the increases and decreases which make up the above total:— *Guaranteed Railways.*

	+	−
Eastern Bengal Railway	...	110,000
Madras Railway	15,000	...
Bombay, Baroda, and Central India Railway	130,000	...
Great Indian Peninsular Railway	...	25,000
Oudh and Rohilkhund Railway	71,000	...
Sind, Punjab, and Delhi Railway	...	255,000
TOTAL	216,000	390,000
Decrease	174,000	

45. The decrease in *Eastern Bengal Railway* is owing to a deficient jute crop. The reduction under *Sind, Punjab, and Delhi Railway* is a matter of account, the receipts of the Railway itself having been favourable. The deficit is due to the adjustment of the loss on the Company's flotilla, involving a debit of £325,000 against the Revenue Account of the line. But for this, the Revised Estimates would have shown an increase in the Budget of £70,000. *Eastern Bengal and Sind, Punjab, and Delhi Railways.*

46. Under *Expenditure* the main heads, with brief explanatory remarks, are these— *Expenditure.*

Refunds and Drawbacks.—Increase, £178,500, due mainly to Madras and Bombay, being, in the former, refunds of water-tax erroneously collected, and payments on account of losses sustained by contractors, amounting to £33,000; in the latter, *Land Revenue* refunds, due to remissions of collections made at enhanced rates, amounting to £120,000; these collections were made in 1880-81 and 1881-82, and are those referred to in paragraph 147 of the Budget Statement for 1883-84. It was expected that they would have been cleared off in 1882-83, but they have fallen to the present year. *Refunds and Drawbacks.*

47. *Opium.*—Decrease, £301,800, owing to the reduced expenditure connected with the short crop of last year. *Opium.*

48. *Marine.*—Increase, £131,300. The increase is due partly to the settlement of an outstanding account with Her Majesty's Government, amounting to £36,500; partly to various smaller claims amounting to £83,000, and partly to the purchase by the Indian Marine Department, at a cost of £50,000 (true sterling) of a new steam vessel, the "Golconda," for transport and other services in Indian waters. *Marine.*

49. *Famine Relief and Insurance.—Protective Works—Railways.*—Decrease £386,600; *Protective Works, Irrigation,* decrease £52,300; *Reduction of Debt,* increase £441,400. The short outlay under the former head is due to the late date on which sanction was received to commence the construction of the Jhansi-Manakpore, Cuddapah-Nellore, and Bellary-Kistna Railways; the money will accordingly be transferred to *Reduction of Debt* in the Accounts of 1883-84, the lapse being re-allotted in 1884-85 by a corresponding decrease under the head *Reduction of Debt.* *Railways. Reduction of Debt.*

50. *State Railways, working and maintenance.*—Increase, £118,200, due to renewals of vehicles, machinery, and permanent way. *State Railways.*

51. *East Indian Railway, interest and profits.*—Increase, £109,100, due to similar causes. The increase under *Guaranteed Railways,* £58,200, is due to the increased amount of surplus profits payable to the shareholders. *East Indian Railway.*

52. *Interest on debt for Productive Public Works, Miscellaneous public improvements.*—Decrease, £21,600; this reduction is the result of the interest charge on the Madras Harbour works having been expunged because the past *Interest on Productive Public Works debt.*

capital outlay on this Harbour has been transferred to *Civil Buildings, Roads, and Services,* as explained hereafter in paras. 58 and 102; the increase under *Civil Buildings*, &c., is mainly caused by the outlay on the Harbour works being debited to that head. The transfer of the Madras Harbour to a Port Trust is in course of negotiation.

Army. Causes of Increase.

53. *Army.*—Increase, £1,012,400. The increase is due almost entirely to payment of £1,000,000 (true sterling) on account of arrear charges referred to in para. 12. There is also an increase on account of the new scale of pay for British troops serving in India, as explained in the remarks on the Estimates for 1884-85 (para. 103).

Military operations in Egypt.

54. *Military Operations in Egypt.*—Increase, £50,200. Some final debits to this account have fallen into 1883-84.

Exchange.

55. *Exchange on transactions with London.*—Increase, £312,000. The whole increase is practically due to the remittance of £1,500,000 in excess of the amount taken in the Budget. It was expected that the bills of the Secretary of State would be drawn at an average rate of 1*s.* 7⅛*d.* per rupee. The average rate actually obtained has exceeded the rate taken in the Estimates by a mere fraction.

State Railways Capital Account.

56. *State Railways Capital Account non-productive.*—Decrease, £885,000. The diminution is due to the transfer to *Productive Public Works* of the outlay on certain Provincial Railways as explained in next paragraph.

Adjustments of Account between Capital and Revenue Expenditure during 1883-84, and the financial result.

57. Several important adjustments of a complicated nature connected with the transactions of past years have been carried out in the Revised Estimates of 1883-84. These adjustments have, as far as practicable, been so regulated as to reduce to a minimum the effect on the net financial results of the year; and practically their influence on the surplus of the year has been limited to reducing it by £5,796. The amount of disturbance in the accounts is insignificant in comparison with the magnitude of the adjustments.

58. In the first place the Secretary of State decided that the capital expenditure on the Parbutti-Dinajpore, Diamond Harbour, Cawnpur-Farukhabad, and Kashgunge-Soron Railways, as well as that on the Jumna Bridge, which had been and was being incurred from Provincial balances and charged to the ordinary account, should be transferred to the Capital Account of Productive Public Works. The effect of the adjustments rendered necessary by this order, if taken by themselves, would have been to increase the imperial surplus in 1883-84 by a sum of £852,274, although the increase properly belonged to past years. In the second place, it was decided to write off as ordinary expenditure the outlay on the Madras Harbour Works to the end of 1882-83 (£533,070), which had been charged to the Capital Account of Productive Public Works; and also to write off against Revenue, by a credit to capital, the sum of £325,000, being the loss in past years on the Flotilla of the Sind Punjab and Delhi Railway. The total to be written off in the ordinary expenditure account, therefore, came to £858,070. By carrying out these adjustments in one year, the *net* financial result of the year (1883-84) will be disturbed only to the amount of £5,796, by the inclusion in it of transactions which, properly speaking, belong to previous years.

The alterations in the Revised Estimates of 1883-84 due to these adjustments will be found under the following heads in Abstracts A and B:—

REVENUE FROM PRODUCTIVE PUBLIC WORKS (REVENUE ACCOUNT).

XXVI.—Guaranteed Railways (net traffic receipts).

EXPENDITURE ON PUBLIC WORKS NOT CLASSED AS PRODUCTIVE—

41. State Railways (Capital Account).

EXPENDITURE ON PRODUCTIVE PUBLIC WORKS (CAPITAL ACCOUNT)—

51. State Railways.

53. Miscellaneous Improvements.

Budget Estimates, 1884-85.

59. The Budget Estimates for 1884-85 are as follows :— *Estimated Revenue and Expenditure.*

	£
Revenue	70,560,400
Expenditure chargeable thereon	70,241,100
Surplus .	319,300

Receipt.

60. Under the head *Opium* the estimate of receipts for the ensuing year is as low as £8,594,200, being a decrease of no less than £889,000 on the revised estimates of 1883-84. The net receipts of *Opium*, after deducting the cost of production, are estimated at £6,241,300 against £7,619,700 in the Revised Estimates of the preceding year. It has already been explained in the previous part of this Statement, (para. 2), that the failure of the opium crop in 1883 has made it necessary to reduce the number of chests of Bengal opium to be sold during the calendar year 1884. When the Budget Statement of 1883-84 was issued, it was estimated that the crop then being gathered would not give more than 47,000 chests of provision opium; it actually gave 38,214 chests only. At same time the reserve was estimated to stand at 13,859 chests on 31st December 1883, but the actual reserve on that date was only 11,632 chests. Notwithstanding the very large reduction in sales during the calendar year 1884, the reserve on 31st December 1884 is estimated to stand at 2,296 chests only. The present crop promises to be a good one, the latest estimates placing the probable number of chests of provision opium at about 52,000. The number of chests of provision opium sold during 1883-84, namely, 54,400, was 2,000 less than in the previous year. It has already been announced that 3,800 chests of Bengal opium will be sold every month from April to December inclusive, during the present calendar year. The number of chests to be sold in the calendar year 1885 will be announced hereafter, in accordance with the procedure laid down in Notification No. 1418, dated 16th March 1883, published at page 159 of the *Gazette of India* of 17th March 1883, Part I. The number to be sold in the year 1885 will not in any case exceed 50,000, and will probably be somewhat less; any excess of production over sales will be used to strengthen the reserve.

Opium.

Number of chests to be sold from April to December 1884.

61. The average price of Bengal opium has been taken in the Budget Estimate at ₹1,250 per chest, which, in view of the price obtained at sales during the past year, and the reduced quantity which is to be put on the market during the year 1884-85, may be looked on as moderate. The expenditure under the head of opium is considerably in excess of the previous year, owing to the promise of a better crop. The figure taken is £2,352,900 as against £1,863,500 in the Revised Estimate of 1883-84, and is not only considerably larger than the 1883-84 figure of the Revised Estimates, but in excess of the actuals of many previous years. The intended purchase by Government of 4,000 maunds of Malwa opium, in continuation of the experiment spoken of in para. 35, adds about £120,000 to the Estimates; but this expenditure will be largely covered by the increased export of Bengal opium, set free by Mr. Carnac's Malwa operations.

Estimated price during 1884-85.

Disturbance of opium estimates by passing events in China.

62. The opium estimate, though carefully framed, may possibly be to some extent disturbed by aggravation of the disputes at present existing between the French and Chinese Governments; but affairs have not reached a point which would justify us in moulding our estimates with immediate reference to the probabilities of graver complications.

Salt, Stamps, and Forest.

63. Under *Salt*, *Stamps*, and *Forest*, credit has been taken for a small progressive revenue.

Post Office.

64. The increase under *Post Office* (£47,300) occurs under *postage stamps*, *postage collected in cash*, and *Money Order fees*.

Telegraphs.

65. Under *Telegraphs* there is an increase of £48,400, being the net result of improvement under *Indian Telegraphs* of £69,100, and of falling-off under *Indo-European Telegraphs* of £20,700. The increase under *Indian Telegraphs* is due, first, to the estimated development in message revenue; secondly, to the anticipated recovery of arrears due by the South Indian Railway; thirdly, to receipts from other Railways and guarantors for extension. Under *Indo-European* Telegraphs the decrease is chiefly due to the following causes:—*firstly*, the liquidation of the Persian debt in 1883-84; *secondly*, payments towards instead of receipts from the common purse, because of the Indo-European route carrying much more than its standard share of the aggregate traffic; *thirdly*, to the Revised Estimate for 1883-84 containing an unusually high balance of arrears for 1882-83.

Mint.

66. The estimate taken under *Mint* represents a normal revenue. The Revised Estimates of 1883-84 were reduced because the silver imports during that year, owing to large drawings by the Secretary of State, fell below the expectations, but receipts under this head depend upon so many causes which it is impossible accurately to forecast at the commencement of the year, that a comparative estimate between any two years supplies a test of but little value.

Interest.

67. Under *Interest* there is a decrease of £137,700, as compared with the Revised Estimates of 1883-84; this is due to the special receipts on this account in 1883-84, noticed in para. 42.

State Railways.

68. Under *State Railways* (*Productive*) there is an increase of £629,600 on the Revised Estimates of the preceding year. Of this sum, £430,000 is taken on the Eastern Bengal Railway, which will become a State line by purchase in the course of the year. The balance, £199,600, is the net result of improvements under the several Railways, with the following exceptions: Wurda Coal State Railway, difference *nil;* Nalhati Railway, decrease £400; the Indus Valley Railway, decrease £40,000; total £40,400. The figures under the Wurda and Nulhati lines call for no special notice. As regards the Indus Valley Railway, it is considered unsafe to base estimates on the large increase in 1883-84, which was due to a sudden and unexpected export trade in wheat having sprung up from Kurrachee. It is difficult to say at present how far a continuance of this trade may be counted on, and therefore it has been considered safer to take a reduced figure for the ensuing year. The increase under the main lines may be ascribed generally to the extension of lines and the expansion of traffic. Under *East Indian Railway* it has been thought prudent to budget for a decrease, as compared with the Revised Estimates of 1883-84, of £180,000; the reason being the indifferent prospects of the year's harvests in parts of India, and the slackening in the export trade owing to low prices in Europe, and large stocks there and elsewhere. Under *Guaranteed Railways net traffic receipts* there is an increase of £248,000. This is chiefly due to the heavy debit of £325,000 in 1883-84 on account of the loss on the Indus flotilla.

69. There is an increase under *State Railways not classed as productive* of £21,200. This increase is the *net* result of transferring the Sonarpore-Diamond Harbour Railway and the Cawnpore-Furrakhabad Extension to the Productive section, combined with an estimated increase of £24,000 on the Rewari-Ferozepore Railway, and a few other changes of minor importance. *State Railways not classed as productive.*

70. There is an increase under *Civil Buildings, Roads, and Services* of £73,900, chiefly due to an expected payment of £40,000 for the East Indian Railway Office; £10,000 from the outturn of the Barrakar Iron Works; £5,000 from the Akra Brick Manufactory; £10,000 from the outturn of the Madras Workshop; and sundry minor items.

71. Turning from Revenue to Expenditure, the following items demand some explanation:— *Expenditure.*

Interest on ordinary debt, excluding the charge on account of Productive Public Works Debt, (£3,686,800,) being a decrease on the Revised Estimates of £120,800. *Interest on ordinary debt.*

The reduction may be said, speaking generally, to be due to the fact that the sums spent on Productive Public Works exceed the net amount borrowed, and that consequently the interest added yearly to the charge under this head on account of money borrowed is less than the total amount transferred on account of interest, to the Productive Public Works head.

72. *Interest on other obligations.*—Increase, £33,300. The increase is chiefly on account of increased balance of Post Office Savings Banks. *Interest on other obligations.*

73. *Refunds and Drawbacks;*—(£220,400,) being a decrease of £154,000 as compared with the Revised Estimates of 1883-84. The decrease is chiefly due to the refunds of 1883-84 being in excess of the normal amount, as explained in para. 46. *Refunds and Drawbacks.*

74. *Land Revenue;*—(£3,340,700,) increase (£98,200,) due to the strengthening of Tahsili and Patwari Establishments, management charges of new estates, extended settlement and survey operations (chiefly in Burma), and transfer from the head "Registration" of Revenue record room charges. *Land Revenue.*

75. With regard to the cost of settlement and survey operations, it may be as well to state briefly here the results of important correspondence which has taken place during the last year between the Government of India and Her Majesty's Secretary of State. It is known that for some time the attention of the Government of India has been seriously drawn to the economic effect of excessive enhancements of land revenue in various parts of India, and recently the Revenue and Agricultural Department have been considering the best method of placing some efficient check on this great evil. At the same time, some of the earlier settlements effected in Northern India have fallen in, others will shortly be lapsing, and the principle on which re-settlement in these and other cases is now to be made has come under the consideration of the Government of India and the Local Governments. As for some years it must be expected that settlements in the various provinces will continue to fall in, and as the operations connected with the revision of settlement, if the system hitherto observed were maintained in its integrity, would lead to the expenditure of a more considerable sum than is now to be expected, and as the prospects of any very considerable increase from the land revenue must always be a matter of interest to those who watch the Indian finances, I give briefly the outline of the arrangements that have been arrived at, of which the effect will be to limit within narrower bounds than has hitherto been the case, the increased assets accruing to Government at periods of re-settlement; and, on the other hand, very considerably to decrease the expenses attendant on survey and settlement. Experience, I *Important effect on survey and settlement estimate of present policy regarding revision of settlements.*

hope, may show that we can at a later time go still further in the direction in which the Revenue and Agricultural Department have so far advanced, and that the moderate measures proposed by the Government of India and sanctioned by the Secretary of State, will lead gradually to further developments in the same direction, and thus guarantee to the people immunity on the one hand from the vexations and cost of recurring surveys and settlements, and, on the other hand, from the anxieties, uncertainty, and loss attendant on periodical enhancements of the amount which, under the head of *Land Revenue*, they are called upon to pay to the Government.

Principles adopted for future application.

The substance of the arrangement decided on is briefly, that when once, (as in a very large number of districts is already the case), the land revenue of a district has been equitably assessed on the basis of a careful survey, finality, in some sort, should be given to the assessment. The manner in which this may best be effected in each Province, without undue sacrifice of public interests, is still under consideration, but the principles which at present have been accepted by the Indian and Home Governments may be summarily mentioned. They are: *First*, that all improvements made by landlords or tenants shall be exempted from assessment; *Secondly*, that no reclassification or revaluation of the soil shall be allowed in any case in which the soil has once been properly classed and valued; *Thirdly*, that the existing assessment shall be taken as the basis of revision, and shall be liable to alteration only on two or three carefully defined grounds. These grounds the Government of India is disposed to restrict to increase of cultivation, increase of produce due to improvements executed by the State, and rise of prices. Whether, in view of the varying conditions of the several Provinces, these grounds are in each case the best that can be devised, is a question still under examination here, and on which no opinion need at present be expressed. But whatever may be the outcome of discussion on this point, there can be little doubt that a degree of permanency will be given to the current land assessment in the more populous and advanced parts of the country which it has hitherto lacked. The policy, subject to reserve at present upon one point, has been already accepted by the Government of Bombay; it has been fully accepted by Madras; and other Governments will doubtless fall into the arrangement, so soon as its details, at present under examination with them, have been agreed upon and arranged. Resettlement, finally, will be made on the basis of existing records where, as will be very generally the case under present practice, these have been accurately and carefully kept up; and it will be only in the case of the village survey of the last settlement being so inaccurate as to be useless, or of the records having fallen into great disorder, that resurvey, partial or entire, will be resorted to.

Opium.

76. *Opium.*—The reason of the increase (£489,400) over the Revised Estimates of 1883-84 has already been explained in para. 61.

Salt.

77. *Salt.*—Increase, £42,800. The increase is due to increased provision for preventive establishments in Madras and Bombay, and to arrangements in connection with the Goa Treaty.

Forest.

78. *Forest.*—Increase, £42,200; due to increased operations, and covered by corresponding increase of revenue.

Post Office.

79. *Post Office.*—Increase, £21,600. This is less than the normal increase of this rapidly growing Department, and is less than half the estimated increase in revenue. The increase would have been much larger but for a reduction of the subsidy paid to the British Indian Steam Navigation Company.

80. *Telegraphs.*—Increase, £110,400. This net result is brought about as follows:— *Telegraphs.*

	£ +	£ −
Indian Telegraph—		
Imperial—		
In India (*a*)	+92,400	
In England (*b*)	+14,500	
	+106,900	
Provincial—		
In India	.....	−5,100
	101,800	
Indo-European Telegraph—		
In India	+2,200	
In England	+6,400	
	+8,600	
Red Sea and Indian Telegraph Company—		
	Nil	
Net	+110,400	

The increase (*a*) is due to additional provision for lines and establishment, chiefly required in connection with Railway extensions, and the payment of £10,000 to the Postal Department for taking up telegraph duties under recent arrangements.

The increase (*b*) is due to short outlay in England for stores in 1883-84. The remaining items do not call for remark.

81. *Law and Justice.*—Increase, £117,400. The apparent increase under this head is, for the most part, the result of the falling off in the Revised Estimates, and is distributed over all Provinces. *Law and Justice.*

82. *Marine.*—Decrease, £129,100. The Revised Estimates show an increase from special causes of £131,300. See para. 48. *Marine.*

83. *Education.*—Increase, £54,700. Increased expenditure under this head is to be expected, and is not unsatisfactory in itself. *Education.*

84. *Political.*—Increase, £39,800. Nearly the whole of this increase occurs under the head of "Subsidy to the Ameer of Cabul," the Revised Estimates for 1883-84 containing provision for only a portion of the year, whereas the Budget of 1884-85 provides for a whole year's expenditure. *Political.*

85. Under *Scientific and other Minor Departments* there is a decrease of £11,900. The decrease is due to reduction of expenditure, amounting to £12,300, in Burma. *Scientific and other Minor Departments.*

86. *Stationery and Printing.*—The increase under this head, £35,200, occurs mainly in England, and arises from the increasing business connected with Railways, Post Office Savings Banks, and Money Orders, and general administrative needs. *Stationery and Printing.*

87. *Protective Works, Railways.*—Increase, £512,700. The increase is due partly to a special addition of £250,000 made to the usual Famine grant by the Lieutenant Governor of the North-Western Provinces for 1884-85 for expenditure on the Jhansi-Manikpur line, which is being constructed from Protective Funds, and partly to short expenditure in 1883-84. *Protective Works, Railways.*

88. *Protective Works, Irrigation.*—Increase, £19,100. The increase is due to the fact that the estimate must be so framed as to make the average yearly expenditure from 1881-82 exactly £250,000. *Protective Works, Irrigation.*

State Railways: working expenses.

89. *State Railways (Productive); working expenses.*—Increase £341,700. Of this increase, £200,000 is due to the Eastern Bengal Railway becoming a State Railway by purchase in 1884-85. The rest of the increase represents augmented provision called for (1) to cope with the expected expansion of traffic; (2) to meet additional outlay that will result from railway extensions during the year; (3) to cover expenditure in renewing lines, machinery, and rolling-stock. In the case of the Sindia and Ghazipur-Dildarnugger Railways, some of the increase is due to the new working agreement with the East Indian Railway bringing on 12 months' adjustments in 1884-85 against 9 months in 1883-84.

Guaranteed Railways.

90. *Guaranteed Railways.*—Decrease £111,500. This is due to reduced payments on account of surplus profits to the Eastern Bengal Railway Company and Great Indian Peninsula Railway Company, coupled with an increased payment to the Bombay, Baroda and Central India Railway Company, and to increased charges for land and supervision.

Irrigation and Navigation.

91. *Irrigation and Navigation (Productive).*—Increase £43,100. The increase is chiefly due to provision made for the first time for the cost of working the Sirhind Canal, and to general extension of operations in North-Western Provinces and Oudh.

Interest on Debt.

92. *Interest on Debt (Productive).*—The total increase, £200,600, is made up as follows:—

State Railways.

State Railways, £138,200, due to interest being charged on the full amounts of capital laid out in 1883-84 and on half the amount to be laid out in 1884-85, *i.e.*, on increased capital outlay; also to the purchase by the State of the Eastern Bengal Railway.

East Indian Railway.

East Indian Railway, £28,300, due to further capital outlay, and to the purchase of a portion of the annuity during 1883-84 by the issue of India 3½ per cent. stock, the full interest of which is paid during 1884-85.

Irrigation and Navigation.

93. *Irrigation and Navigation.*—Increase £34,100, due to additional capital expenditure.

Annuities, Guaranteed Railways: Purchase.

94. *Annuities in Purchase of Guaranteed Railways (including Sinking Funds).*—Increase, £51,800; chiefly due to provision being made in the Home estimates for a half-year's annuity payable to the shareholders of the Eastern Bengal Railway, which line Government acquires by purchase, in 1884-85.

Guaranteed Railways.

95. *Guaranteed Railways.*—Decrease, £49,600; due to the purchase of the Eastern Bengal Railway by Government.

State Railways (Capital Account).

96. *State Railways (Capital Account).*—Increase, £541,300; due to the adjustment under this head in Revised Estimate of 1883-84 referred to in para.

Subsidized Railways.

97. *Subsidized Railways.*—Decrease, £11,900.

The decrease occurs under (1) Bengal Central Railway, due to the expected completion of the line in June next, and the consequent stoppage of payment of advance interest under the contract with the Company; (2) Nilgiri Railway, the Company not having been floated; and (3) Bengal and North-Western Railway, a smaller sum being necessary this year for purchase of land.

Southern Mahratta Railway.

98. *Southern Mahratta Railway.*—Increase, £3,500.

Increase in paid up capital necessitates increased provision on account of interest.

Frontier Railways.

99. *Frontier Railways.*—Decrease, £50,500.

Orders have recently been issued directing the transfer of all the Frontier Railway store balances on 1st April 1884 to Productive Public Works, under 50, State Railways. The diminution in the provision for 1884-85 is due to the above adjustment having been carried out.

100. *Irrigation and Navigation.*—Decrease, £44,600. *Irrigation and Navigation.*

The decrease is thus distributed :—

	£
Imperial Increase	22,100
Provincial decrease	66,000
Local do.	700
Net	44,600

The increase under Imperial is chiefly due to an arrangement having been made with the Madras Government for a yearly increasing grant for that Province.

The decrease under Provincial is made up of an increase of £100 in the Punjab and the following decreases :—

	£
Burma	30,200
Bengal	33,300
North-Western Provinces and Oudh	1,500
Madras	1,100
	66,100

The decrease in Burma is due to the reduction of the Provincial balances, in consequence of which expenditure bas been restricted. The decrease in Bengal is due to less provision having been made for expenditure on Irrigation and Navigation works for which neither Capital nor Revenue Accounts are kept. The decrease in Madras is due to less provision having been made for expenditure on the Madras Water Supply and Irrigation extension system.

101. *Military Works.*—Decrease, £113,500. *Military Works.*

The Revised Estimate for 1883-84 is set down at £1,036,500, as follows :—

	£
Fixed Grant for Military works	1,000,000
Add lapse of 1882-83	36,500
	1,036,500

The Budget Estimate for 1884-85 has been arrived at as follows :—

	£
Fixed grant for Military Works	1,000,000
Deduct amount recovered for expenditure under *Civil Buildings, Roads, and Services*	77,000
Budget provision for 1884-85	923,000

The decrease in 1884-85 is principally due to the adjustment of the cost of the Army Head Quarter Offices at Simla, which was originally paid for from the grant for Civil Buildings, Roads, and Services; this grant has now been recouped by deduction from the fixed grant for Military Works.

102. *Civil Buildings, Roads, and Services.*—The decrease, £1,082,500, occurs under the following heads :— *Civil Buildings, Roads, and Services.*

	£
(*a*) Imperial	679,400
(*b*) Provincial	351,800
(*c*) Local	51,300

The decrease (*a*) under "Imperial" arises from the fact that the Capital expenditure on the Madras Harbour to the end of 1882-83 was transferred in the Revised Estimate of 1883-84 from Productive Public Works (Capital Account) to Civil Buildings, Roads, and Services, thus increasing temporarily the expendi-

ture under the latter head in 1883-84. The net decrease would have been larger, but for provision, in excess of the normal grant, for Civil Buildings, having been made for outlay on the Government Offices at Simla (£56,400), and the Harnai Road (£85,000), by transfer from the grant for Frontier Railways.

The chief decreases (*b*) under "Provincial" are in Bengal and Burma, where grants have been allotted on a reduced scale, as excess Provincial balances are being exhausted, and it is necessary to work up to the minimum balances fixed by the Secretary of State.

The net decrease (*c*) under "Local" is consequent on Burma, the North-Western Provinces, and Bombay having provided for large reductions of expenditure during 1884-85, while Bengal, the Punjab, and Madras have provided for an increased expenditure.

Army.

103. *Army.*—(£16,098,600.) Decrease, £1,028,000. The apparent large decrease in the cost of the Army is due to the fact that £1,000,000 (true sterling) will be paid in 1883-84 on account of arrears of non-effective charges of British Troops. In communication with the Secretary of State it has been decided that the pay and allowances of the English soldiers serving in India shall in future and from the 1st January 1884, when expressed in sterling, be converted at the rate of exchange fixed annually by Her Majesty's Government for the payment of the troops in the Colonies, the same rate being adopted for home remittances of pay, Savings Bank balances, and other items. All items of pay fixed in sterling will be paid in India at the above exchange; all local allowances will be fixed and paid in rupees. Any money remitted to or from India by or for the soldiers, will be dealt with in the same way, but with effect from the 1st April 1884 only. The result of this arrangement is to increase the Military charges of 1884-85 by about £184,300. The increase caused by this change will depend on the variation in the rate of exchange, but at the exchange of 1*s.* 8*d.*, the present rate, the soldier's pay is increased 12½ per cent. There are no changes of importance in the organization of the Army which materially affect the Estimates of the year 1884-85.

Exchange.

104. *Exchange.*—Decrease, £321,900. The Revised Estimates provide for £17,800,000 (true sterling) being drawn by the Secretary of State in 1883-84 and the Budget Estimates for £16,500,000 (true sterling) being drawn in 1884-85.

There are also the following minor items of gain and loss:—

		Better.	Worse.
		£	£
Public Works, Military and Civil	(gain)	22,400	...
Guaranteed Railways Capital Account	(do.)	4,100	...
„ Revenue Stores	(do.)	...	4,800
Southern Mahratta Railway	(loss)	...	22,000
East Indian Railway	(gain)	49,990	...
Overland Money Orders	(do.)	2,500	...
TOTAL		78,900	26,800

Rate of exchange fixed for 1884-85.

The average rate of exchange for the home remittances has been taken for 1884-85 at 1*s.* 7½*d.* per rupee.

State Railways.

105. *State Railways* (*Capital Account, Productive*).—Increase, £205,800; made up of an increase under the Eastern Bengal of £1,123,700 and a decrease under other State Railways of £917,900. The grant for the year 1883-84 for State Railways was augmented considerably by the inclusion in it of the unexpended portion of the grant for the previous year, amounting to £622,148. This made the amount available for outlay in 1883-84 £2,422,148.

The Revised Estimate for 1883-84 has been further augmented by the transfer to this head of the outlay to end of 1883-84 on the Railways, &c., noted on the margin, in accordance with the orders of the Secretary of State. The sum thus transferred amounts to £852,274. The diminution in 1884-85 is therefore due to the absence of the special items noted above from the grant for that year. The normal grant under this head is £1,800,000. The grant of £2,151,900 for 1884-85 is composed of the following items :—

Muttra-Achneyra—
Farukhabad-Hatras Section Jumna Bridge.
Northern Bengal State Railway—
Branch from Parbutipore to Dinagepore.
Calcutta South-Eastern Railway—
Branch from Sonarpore to Diamond Harbour.

	£
Railway portion of the annual fixed grant of 2½ millions .	1,800,000
Estimated saving on the grant for 1883-84 . . .	204,600
Contribution by the Government of the North-Western Provinces and Oudh, from surplus Provincial balances, to cover the probable outlay on Railways in those Provinces, classed as Productive Public Works .	132,300
Transfer from Irrigation portion of grant . .	15,000
TOTAL .	2,151,900

106. *Eastern Bengal Railway.*—Increase, £1,123,700. This line will be handed over to Government on 1st July next, and thenceforward it will be a State property. The provision is thus distributed :— *Eastern Bengal Railway.*

	£
India	100,000
England	1,023,700
TOTAL .	1,123,700

The provision in India is intended to cover the actual charges of the line during the year, including the expenditure on certain works that need to be completed by the date of the opening of the Hooghly Bridge. In England provision has been made for the payment of £150,000 in discharge of debentures of the Eastern Bengal Railway, which fall due on the 19th May 1884, and also for the payment of £873,700 for debentures and debenture-stock which must be taken over as a State liability.

107. *Miscellaneous Public Improvements.*—Increase, £533,100. This represents the amount to the end of 1882-83 which has been transferred to the grant under *Civil Buildings, Roads, and Services*, in the Revised Estimate for 1883-84, on account of the Capital outlay on Madras Harbour Works, and for which no provision exists in 1884-85. In 1883-84 the whole expenditure on Madras Harbour Works to date under this head was transferred from Productive Public Works to "*Civil Buildings, Roads, and Services;*" the revised expenditure figure was therefore *minus* £533,100, and no expenditure is shown in the Budget for 1884-85. Comparison between 1883-84 and 1884-85 is therefore set down at *plus* £533,100. *Miscellaneous Public Improvements.*

Caution necessary in examining apparent increase of Expenditure in the Annual Accounts.

108. It will be seen on examination of the figures in "Abstract B, Details of Expenditure," that what is known as "Provincial Deficit," in other words, the amount by which the Provincial Governments expect to draw upon *Provincial Deficit. Caution in comparison of receipts and expenditure.*

their balances to meet their expenditure of the year 1884-85, is considerably less than in the Revised Estimates of 1883-84. In connection with this point it may be desirable to add a few words in regard to comments which were made during the course of last year, on the increasing expenditure of the Indian Government. The Provincial system has been, comparatively speaking, for so short a time at work, that even yet it is little understood that State expenditure in India is of three kinds, Imperial, Provincial, and Local, and that while the former may be stationary or otherwise, the latter advance or decrease quite irrespectively of Imperial Expenditure. It is well known that in 1878-79, during the Afghan War, the Government of India, owing to pressure of ways and means, was compelled not only to impose a check on Provincial and Local expenditure, but to appropriate for the time a considerable amount of the Provincial balances lying at the credit of the several Local Governments. With a return of peace and prosperity the Government of India found itself in a position to refund the amount (£670,000) thus temporarily withdrawn; and the Provincial Governments have, during the last three years, spent on various objects connected with their administrations, the large balances which accumulated during the period of enforced saving, as well as the amount (£670,000) refunded to them. This expenditure would have been spread over a longer period had the necessary funds been at their disposal in previous years, so that the Provincial expenditure of 1882-83 and 1883-84 was in its nature altogether abnormal.

Indian expenditure of three kinds, Imperial, Provincial, and Local.

Special reasons for large Provincial expenditure.

Expenditure during the last three years.

109. In future it may be expected that Provincial and Local expenditure will present fluctuations of much less magnitude. In order, however, to guard against results of possible neglect, or of too sanguine expectations, it has been decided to fix a minimum balance for each Provincial Government or Administration. It will not be possible that in each case, (as, notably, in the case of Burma), the Government or Administration should at once be able to attain the minimum figure so fixed; but where, without undue sacrifice, it cannot at once be attained, care will be taken that it shall be reached within the briefest possible period. The following table shows the minimum balance fixed for each Government and Administration, and opposite to each the estimated opening and closing balances of the year 1884-85:—

Minimum Provincial balance fixed for future years.

Local Government or Administration.	Minimum balance.	Opening balance, 1884-85.	Closing balance, 1884-85.
	£	£	£
Madras	200,000	204,000	191,200
Bombay	200,000	300,000	324,100
Bengal	200,000	15,300	164,800
North-Western Provinces and Oudh	200,000	555,000	159,600
Punjab	100,000	163,700	110,500
Central Provinces . . .	80,000	256,400	251,600
British Burma	60,000	25,300	3,200
Assam	50,000	78,100	109,300
Total .	1,090,000	1,597,800	1,314,300

The aggregate Provincial balance at end of 1884-85 is estimated to be in excess of the total of the minimum balances as lately fixed, but in some Provinces the balances will be below the minimum. The orders regarding minimum balances were not anticipated by Local Governments, and, as above explained, it

has been considered better to allow their balances to fall temporarily below the minimum than to force them to alter arrangements already made.

110. But apart from the more limited question of Provincial expenditure, it is necessary once more to point out that nothing is more misleading than to judge of increased expenditure without taking into consideration the corresponding increase in revenue. Broadly speaking, a glance at Abstracts A and B will show that the receipts and expenditure of the Government, apart from Public Works, fall under three heads. The first of these are the heads which figure in Abstract A under *Principal heads of revenue*, and in Abstract B under *Direct demands on the revenue.* Expenditure and Revenue under these heads go together; in other words, although there may be increased expenditure, it will be found, after all disturbing elements are eliminated, that it is more than met by increased revenue. The second head is that of *Post Office, Telegraph, and Mint.* Here, while there will always be considerable receipts of revenue, from the nature of the Departments concerned, the expenditure may be necessarily in excess of the receipts. The Post Office, for public convenience, is called upon to administer various branches but indirectly connected with its proper business, which are not directly remunerative, and some of its receipts are credited to heads other than Post Office. Under *Telegraph*, all capital charges are debited to current revenue, and the growth of the Railway system compels an increase of expenditure on the extension of telegraphs which, for some time, cannot be recouped. It is under the groups *Salaries and Expenses of Civil Departments, Miscellaneous Civil Charges*, and *Army Services,* as well as under the heads of *Military Works* and *Civil Buildings, Roads, and Services,* that will be found those branches of the administration which yield either no direct revenue at all, or a revenue incommensurate with the charges connected with them. Increased expenditure, therefore, under these heads, is, to speak in general terms, dead-weight; and, so far as it is shown that the expenditure under this section is progressive, the attention of the Government may fairly be called to the unproductive nature of these increasing charges.

Remarks on the caution necessary in comparison of expenditure in successive years.

111. Before entering upon any comparisons of Indian expenditure, two other points which are usually lost sight of should be carefully borne in mind. First, that the expenditure of prosperous years should not be compared, as a test case, with that of famine years, or other periods of depression, when the general administration has necessarily to suffer and be starved. The other is, that estimates of one year should be compared with estimates of another, and not, as is frequently done, estimates of revenue with actuals of revenue, and estimates of expenditure with actual expenditure. In point of fact, the actuals of receipts will generally be found to be higher than the estimates of receipts, so that under this head, to compare the actuals of a preceding year with the estimates of the current year will inevitably bring apparent discredit on the progress of the revenue. Similarly, estimates of expenditure are liberally framed so as to meet all possible charges. The actual expenditure, on the other hand, not unfrequently falls below the estimates. Here, again, therefore, to compare the estimated expenditure of the current year with the actual expenditure of the preceding year, is to compare things that are not in all respects the same.

112. It will be found on examination that the chief heads under which the expenditure of India is increasing are:—

(a) *Exchange.*
(b) *District Administration* (*Land Revenue*).
General Administration.
Stationery and Printing.

Police.
Scientific and other Minor Departments.
(c) *Education.*
Medical.
Public Works.

113. Group (*a*) is absolutely beyond the control of Government. Under group (*b*) the growth of the charges is in part accompanied by increase of revenue and in part due to transfers of account, *e.g.*, in Police, where the expenditure on Municipal Police, formerly excluded from the accounts, is now charged under Police. Under group (*c*) the objects on which the money is spent are of the highest importance, and any judicious increase of expenditure found possible under them may *primâ facie* be pronounced to be a reason for congratulation, and not a foundation for a charge of extravagance.

Illustration of the fallacy of adopting totals as results.

114. An examination of the total estimated expenditure of 1884-85 as compared with that of 1883-84 will show how cautiously the figures of expenditure require to be examined before any opinion can be formed on the question of prudent or wasteful financial management. The Budget Estimate of 1883-84 showed a total expenditure of £70,064,300, and the Budget Estimate of 1884-85 shows a total expenditure of £70,755,600. The apparent inference is obvious, namely, that the Government of India, in a time of peace and with no special calls on them, have actually increased the public expenditure in one year by no less than £706,300. An examination of the figures will disclose another aspect of the matter.

Position of Government as Railway proprietor.

115. In the first place, the Government of India is largely interested in Railways, both as a proprietor and as having guaranteed the interest on capital outlay. The Government of India, having borrowed money for expenditure on Railways and Canals, is bound to pay the interest when it falls due, and is justified in incurring any necessary increase of working expenses due to increased traffic, or a greater demand for water for purposes of irrigation.

Results of Productive Public Works (Revenue Account) in 1884-85 as compared with 1883-84.

116. The expenditure on Productive Public Works (Revenue Account) in the Estimates of 1883-84 is £11,836,400; in the Estimates of 1884-85 it is £12,542,800 showing an increase of £706,400 which, for the above reasons, was wholly unavoidable, and which in fact brought in a greatly increased revenue. The revenue under this head was taken in the Estimates of 1883-84 at £12,355,600, in those of 1884-85 it is taken at £13,631,100, showing an increase of revenue of no less than £1,275,500. The increased expenditure of £706,400, therefore, on superficial examination of which a charge of extravagance might have been brought against the Government of India, is merely one item of a transaction which has on the whole resulted in a profit of £569,100 (£1,275,500—£706,400). Then, again, the Government of India is a large purchaser of opium. In 1883-84 the crop was a bad one, and the expenditure of the Department was estimated at £2,165,300; the coming crop promises to be a good one, and the expenditure of the Department is estimated at £2,352,900, an increase of £187,600.

Results in other departments analogous.

117. Similar arguments may be applied to the expenditure under *Salt*, *Stamps*, *Forest*, and *Post Office*, where it would be seen that an increased expenditure of £77,500 is accompanied by an increased revenue of £433,400. Under *Telegraph* it will be found that there is an increased expenditure of £80,600. This, which seems very extravagant, is simply the cost of constructing Telegraph lines for the Railways that are being made, and the expenditure could not be avoided unless the country was prepared to do without the Railways, and follows on the functions discharged by the State in its capacity of Railway constructor, and proprietor.

118. Again, a special addition of £250,000 has been made by a Local Government to the grant for Famine Relief and Insurance during 1884-85. The meaning of this transaction is that in past years the Local Government saved £250,000, and that it is now ready to invest this sum in protection against famine in future years. This swells the expenditure by £250,000, but is in no way connected with the expenditure of administration, properly so called.

119. Adding together the different items above referred to, we get the following result:—

Net result of above considerations.

	£
Excess expenditure on Productive Public Works (Revenue Account) bringing in additional revenue to amount of £1,275,500	706,400
Excess expenditure on opium on account of a good crop	187,600
Excess expenditure under Salt, Stamps, Forests, and Post Office accompanied by additional revenue of £433,400	77,500
Special increase to Famine Grant	250,000
Increased Capital Expenditure on Telegraphs indispensable for working of new Railways	80,600
Amount to be set off, under heads above referred to, against increase of expenditure shown in the Estimates	1,302,100
Deduct increase on totals of Estimates	706,300
Excess of total set-off over increase shown in Estimates	595,800

Summary of remarks.

120. The above remarks obviously do not exhaust the subject; but they are sufficient to show once more that the Government of India, in its character of Railway constructor, and in its control of various industrial or commercial operations, undertakes large, varied, and expensive enterprises, which, although for the most part highly remunerative, necessarily add to the sum total of its expenditure. It constructs railways and telegraphs; conserves or creates forests; makes and excavates salt; provides savings banks; digs canals and tanks; organises and controls mechanical workshops and foundries; prospects for coal; furnishes funds for agricultural or industrial experiments; subscribes to economical exhibitions. It is also the holder of a large opium monopoly, the cost of which varies with the seasons. It is not even completely master of its own expenses, which so far as they are incurred in England may, to a great extent, be said to be beyond its control; the joint partnership of the English and Indian Governments in army charges, for example, being liable, as this Statement has shown, to sudden and unforeseen fluctuations. Apparent increases or decreases of expenditure, again, are often due to adjustments of accounts; and these, owing to the relations of the Imperial and Provincial Governments, are further complicated, and are certain to mislead superficial examination. Finally, much of the misconception constantly met with in criticisms on the expenditure of the Government of India is due to the faultiness or carelessness of method employed by the enquirer, estimates being compared with actuals, prosperous cycles with famine cycles, and disturbing elements being unquestioningly admitted into calculation.

121. There could not be a better illustration of these remarks than that shown by the preceding figures, where in lieu of an apparent increase of £1,302,100 we arrive, on analysis, at what may be termed a true decrease of £595,800. The estimated Revenue on the other hand is £70,560,400 against £69,022,000 in the Estimates of 1883-84. The Budget Estimates of 1884-85, it may be added, show a reduction as compared with those of 1883-84 under the head of *Public Works not classed as Productive* of nearly £1,000,000.

Ways and Means.

122. After providing for the Secretary of State drawing during the current year 1883-84 to the full extent he has announced, namely, £17,800,000 (true sterling), and allowing for the bulk of these drawings being telegraphic, so that we shall have to pay the amounts without the interposition of any interval, the balance in Indian Treasuries on March 31st, 1884, is estimated to stand at £12,440,000. This should give a cash balance of about £12,000,000 during the months of April to July; but after that ensue two or three months during which but little revenue comes in, while the rate of expenditure is not greatly altered. Putting the minimum working balance at £8,500,000, we find it necessary to obtain assistance to the extent of £2,500,000 not later than the end of September; and this must be done either by raising a loan in India or by reducing the amount of drawings, which the Secretary of State estimates to be required in the first half of the year to meet the demands on the Home Treasury. I greatly regret that I am at present unable to announce definitely which of these two measures will be adopted, and I am well aware that much inconvenience will be caused by the continuance of uncertainty on this important subject. I can only add that the announcement will be made at the earliest opportunity after the decision of the Secretary of State has been received. The Estimates, meanwhile, have been prepared on the basis of the procedure recently adopted, that is to say, of a loan in India. The cash balance on March 31st, 1885, is estimated at £11,010,850. The amount available in 1883-84 from the grant under Famine Relief and Insurance for the *Reduction of Debt* is £573,100, but it is not intended to devote this sum to the reduction of the actually existing debt; it will be utilised in increasing the cash balances and so diminishing *pro tanto* the need for further borrowing. In the present state of the money market this money could not profitably be employed in reducing actually existing debt, and the course proposed is in accordance with the procedure for dealing with the Famine grant laid down in Resolution No. 683, dated 3rd February 1882, and published in *Gazette of India* of 4th February 1882.

Estimated Cash Balance on March 31st, 1884, and March 31st, 1885.

Loan of 1884-85.

Reduction of Debt: money how to be employed.

123. It will be convenient to give here a summary of the main features of the present Financial Statement:—

Summary.

(1.) The Accounts of 1882-83 show a surplus of £706,633.

(2.) Provision has been made in 1883-84 for the payment of £1,000,000 (true sterling) on account of arrear non-effective army charges.

(3.) Provision has also been made for drawings by the Secretary of State in 1883-84 to the amount of £17,800,000 (true sterling), being £1,500,000 (true sterling) in excess of the original Estimate of the year.

(4.) The consumption of salt continues to show a satisfactory increase.

(5.) The year 1883-84 has been one of great financial prosperity, and the Revised Estimates show a surplus of £271,400, notwithstanding the additional charges above referred to.

(6.) Railway receipts continue to show progressive increase; and there has been a large development of the trade in wheat.

(7.) No increase, or reduction, of taxation, or change as regards the License Tax, is proposed for next year.

(8.) The surplus of 1884-85 is estimated to be £319,300.

(9.) The net opium revenue for 1884-85 has been taken at £6,241,300, being lower than the Budget Estimate of 1883-84 by £793,400 and lower than the Revised Estimate of 1883-84 by £1,378,400.

(10.) The opium crop of 1883 was unusually short, only 38,214 chests of provision opium having been made as against an estimate of 47,000 chests made in March 1883.

(11.) The opium crop of 1884 promises well, and, it is hoped, may give 52,000 chests of provision opium.

(12.) In any case, not more than 50,000 chests of Bengal opium will be sold in the calendar year 1885, the balance being used to strengthen the reserve, which is estimated to stand at only 2,296 chests on 31st December 1884.

(13.) In the Estimates of 1884-85 the rate of Exchange has been taken at *1s. 7½d.*, and provision made for drawings by Secretary of State to the amount of £16,500,000 (true sterling).

(14.) No decision can yet be announced regarding the customary loan for Productive Public Works. The portion of the grant for Famine Relief and Insurance available in 1883-84 for the reduction of debt will be taken to strengthen the cash balances, and reduce the need for further borrowing.

(15.) The Indian Cash Balance on 31st March 1884 is estimated at £12,440,000 and the cash balance on 31st March 1885 at £11,010,850.

A. COLVIN.

CALCUTTA,

March 14, 1884.

APPENDIX I.

ACCOUNTS AND ESTIMATES.

Accounts	1882-83.
Revised Estimates	1883-84.
Budget Estimates	1884-85.

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General Statement of

Receipts.	For details, *vide* Abstract.	Accounts, 1882-83.	Budget Estimate, 1883-84.	Revised Estimate, 1883-84.	Budget Estimate, 1884-85.
		£	£	£	£
Revenue—					
Principal Heads of Revenue—					
Land Revenue	...	21,876,047	21,792,700	21,869,500	21,888,200
Opium	...	9,499,594	9,200,000	9,483,200	8,594,200
Salt	...	6,177,781	6,167,000	6,267,200	6,328,900
Stamps	...	3,379,681	3,427,200	3,495,400	3,533,000
Excise	...	3,609,561	3,623,300	3,774,800	3,796,900
Other Heads	A	6,410,947	6,383,900	6,491,000	6,562,800
TOTAL PRINCIPAL HEADS	A	50,953,611	50,594,100	51,381,100	50,704,000
Post Office, Telegraph, and Mint	,,	1,708,994	1,670,000	1,623,100	1,734,700
Receipts by Civil Departments	,,	1,437,246	1,402,300	1,437,000	1,455,600
Miscellaneous	,,	1,378,515	1,269,500	1,414,300	1,256,100
Revenue from Productive Public Works	,,	12,224,100	12,355,600	12,969,800	13,631,100
Receipts on account of Public Works not classed as Productive	,,	830,582	864,700	826,200	917,700
Receipts by Military Departments	,,	1,592,183	865,800	918,400	861,200
TOTAL REVENUE	...	70,125,231	69,022,000	70,569,900	70,560,400
Extraordinary Receipts—Assets of the Bombay Civil Funds taken up by Government	...	815,345	...		
Debt, Deposits, and Advances—					
Permanent Debt (net Incurred)	C	2,509,150	2,060,000	2,981,200	2,221,100
Unfunded Debt (net Incurred)	,,	...	594,400	637,400	763,800
Deposits and Advances	,,	708,023	...	...	376,200
Loans to Municipalities, Native States, &c. (net Recoveries)	,,	299,042	54,800	174,100	115,400
Capital of Guaranteed and Subsidized Companies (net Receipts)	,,	1,596,619	...	...	...
Remittances (net)	,,	186,211	...	632,100	...
Secretary of State's Bills drawn	,,	14,119,128	16,300,000	17,800,000	16,500,000
TOTAL RECEIPTS	...	90,358,749	88,031,200	92,794,700	90,536,900
Balance on April 1st—India	...	14,522,913	13,840,013	14,821,550	12,440,050
England	...	2,620,909	3,037,109	3,429,874	3,606,174
GRAND TOTAL	...	107,502,571	104,908,322	111,046,124	106,583,124

FORT WILLIAM,
DEPT. OF FINANCE AND COMMERCE;
The 14th March 1884.

E. W KELLNER,
Deputy Comptroller General.

Accounts and Estimates.

₹10 = £1.

Disbursements.	For details, *vide* Abstract.	Accounts, 1882-83.	Budget Estimate, 1883-84.	Revised Estimate, 1883-84.	Budget Estimate, 1884-85.
		£	£	£	£
Expenditure—					
Interest	B	4,468,132	4,264,000	4,249,700	4,162,200
Direct demands on the Revenues	,,	8,476,968	8,634,300	8,479,700	9,016,600
Post Office, Telegraph, and Mint	,,	1,908,569	2,039,800	2,020,400	2,158,400
Salaries and Expenses of Civil Depts.	,,	10,947,971	11,153,600	11,307,000	11,426,100
Miscellaneous Civil Charges	,,	3,890,407	3,968,100	3,960,200	3,973,800
Famine Relief and Insurance	,,	1,500,000	1,500,000	1,500,000	1,750,000
Expenditure on Productive Public Works (Revenue Account)	,,	11,741,747	11,836,400	12,059,700	12,542,800
Expenditure on Public Works not classed as Productive	,,	7,165,747	7,056,100	6,841,400	6,089,000
Army Services	,,	17,440,250	16,064,000	17,126,600	16,098,600
Exchange on Transactions with London	,,	3,081,433	3,548,000	3,860,000	3,538,100
TOTAL	...	70,621,224	70,064,300	71,404,700	70,755,600
Add—Provincial Surpluses, that is, Allotments to Provincial Governments, unspent by them	End of B	112,171	14,700	61,900	120,100
Deduct—Provincial Deficits, that is, Portion of Provincial Expenditure defrayed from Provincial balances	,,	—1,314,797	—1,514,000	—1,168,100	— 634,600
TOTAL EXPENDITURE CHARGED AGAINST REVENUE	...	69,418,598	68,565,000	70,298,500	70,241,100
Expenditure on Productive Public Works (Capital Account)	End of B	4,649,898	3,820,100	4,931,800	4,764,400
Debt, Deposits, and Advances—					
Permanent Debt (net discharged)	C	...	...		...
Unfunded Debt (net discharged)	,,	164,601	...		...
Deposits and Advances (net)	,,	...	585,200	2,046,900	...
Loans to Municipalities and Native States, &c. (net advanced)	,,	...	...	...	...
Capital of Guaranteed and Subsidized Companies (net withdrawals)	,,	...	1,236,700	570,800	1,753,000
Remittances (net)	,,	...	391,000	...	251,500
Secretary of State's Bills paid	...	15,018,050	16,300,000	18,051,900	16,500,000
TOTAL DISBURSEMENTS	...	89,251,147	90,898,000	94,999,900	93,510,000
Balances on March 31st—India	...	14,821,550	11,696,713	12,440,050	11,010,850
England	...	3,429,874	2,313,609	3,606,174	2,062,274
GRAND TOTAL	...	107,502,571	104,908,322	111,046,124	106,583,124
Revenue		70,125,231	69,022,000	70,569,900	70,560,400
Expenditure chargeable thereon		69,418,598	68,565,000	70,298,500	70,241,100
Surplus + or Deficit —		+706,633	+457,000	+271,400	+319,300

J. WESTLNAD,
Comptroller General.

D. BARBOUR
Secretary to the Government of India.

Abstract A.—*Details*

The figures in thick type are those which

	ACCOUNTS, 1882-83.				REVISED
	IMPERIAL.		PROVINCIAL AND LOCAL.	TOTAL.	IMPE
	England.	India.	India.		England.
	£	£	£	£	£
Principal Heads of Revenue—					
I.—Land Revenue	...	13,799,873	8,076,174	21,876,047	...
II.—Opium	...	9,499,594	...	9,499,594	...
III.—Salt	...	6,146,789	30,992	6,177,781	...
IV.—Stamps	...	1,705,816	1,673,865	3,379,681	...
V.—Excise	...	1,819,552	1,790,009	3,609,561	...
VI.—Provincial Rates	...	579	2,682,436	2,683,015	...
VII.—Customs	...	1,093,233	202,886	1,296,119	...
VIII.—Assessed Taxes	...	258,911	258,900	517,811	...
IX.—Forest	2,734	430,120	505,374	938,228	2,400
X.—Registration	...	143,339	142,490	285,829	...
XI.—Tributes from Native States	...	689,945	...	689,945	...
TOTAL	2,734	35,587,751	15,363,126	50,953,611	2,400
Post Office, Telegraph, and Mint—					
XII.—Post Office	...	971,639	6,158	977,797	...
XIII.—Telegraph	75,374	469,423	518	545,315	51,400
XIV.—Mint	14	185,868	...	185,882	...
TOTAL	75,388	1,626,930	6,676	1,708,994	51,400
Receipts by Civil Departments—					
XV.—Law and Justice	...	57,500	599,434	656,934	...
XVI.—Police	...	5,698	221,944	227,642	...
XVII.—Marine	11	100,895	121,516	222,422	...
XVIII.—Education	...	1,161	197,397	198,558	...
XIX.—Medical	2,169	4	53,837	56,010	2,000
XX.—Scientific and other Minor Departments	2,897	11,460	61,323	75,680	1,200
TOTAL	5,077	176,718	1,255,451	1,437,246	3,200
Miscellaneous—					
XXI.—Interest	24,137	638,957	30,770	693,864	29,000
XXII.—Receipts in aid of Superannuations, &c.	103,995	169,475	31,790	305,260	99,600
XXIII.—Stationery and Printing	13	9,821	48,024	57,858	...
XXIV.—Miscellaneous	25,734	43,731	252,068	321,533	18,000
TOTAL	153,879	861,984	362,652	1,378,515	146,600
Revenue from Productive Public Works—					
XXV.—State Railways (gross earnings)	...	1,979,838	666,489	2,646,327	...
East Indian Railway (gross earnings)	230	4,601,058	...	4,601,288	200
XXVI.—Guaranteed Railways (net Traffic Receipts)	...	3,582,046	...	3,582,046	...
XXVII.—Irrigation and Navigation (Direct Receipts)	1,448	270,913	658,621	930,982	...
Madras Irrigation and Canal Company (net Traffic Receipts)	...	—5,624	...	—5,624	...
XXVIII.—Portion of Land Revenue due to Irrigation	...	469,081	...	469,081	...
TOTAL	1,678	10,897,312	1,325,110	12,224,100	200
Receipts on account of Public Works not classed as Productive—					
XXIX.—State Railways	...	122,678	16,114	138,792	...
XXX.—Subsidized Railways	3,680	...	...	3,680	2,700
XXXI.—Irrigation and Navigation	...	25,386	113,671	139,057	...
XXXII.—Military Works	...	44,306	...	44,306	...
XXXIII.—Civil Buildings, Roads, and Services	14,440	5,750	484,557	504,747	16,900
TOTAL	18,120	198,120	614,342	830,582	19,600
Receipts by Military Departments—					
XXXIV.—Army	75,114	932,366	...	1,007,480	57,500
XXXV.—Military Operations in Afghanistan	...	...	...	...	...
XXXV.—Military Operations in Egypt	500,000*a*	84,703	...	584,703	...
TOTAL	575,114	1,017,069	...	1,592,183	57,500
Total Revenues	831,990	50,365,884	18,927,357	70,125,231	280,900
	51,197,874				

a English Contribution for War in Egypt.

f Revenue.

pear in the General Account. ₹10 = £1.

STIMATE, 1883-84.			Increase + Decrease — of Revised as compared with Budget Estimates, 1883-84.	BUDGET ESTIMATE, 1884-85.				Increase + Decrease — of Budget, 1884-85 as compared with Revised Estimates, 1883-84.
AL.	PROVINCIAL AND LOCAL.	TOTAL.		IMPERIAL.		PROVINCIAL AND LOCAL.	TOTAL.	
India.	India.			England.	India.	India.		
£	£	£	£	£	£	£	£	£
,206,600	7,662,900	21,869,500	+ 76,800	...	13,328,100	8,560,100	21,888,200	+ 18,700
),483,200		9,483,200	+ 283,200	...	8,594,200	...	8,594,200	— 889,000
),240,500	26,700	6,267,200	+ 100,200	...	6,298,700	30,200	6,328,900	+ 61,700
,762,300	1,733,100	3,495,400	+ 68,200	...	1,783,600	1,749,400	3,533,000	+ 37,600
,898,800	1,876,000	3,774,800	+ 151,500	...	1,924,000	1,872,900	3,796,900	+ 22,100
600	2,734,300	2,734,900	+ 46,700	...	2,100	2,738,200	2,740,300	+ 5,400
,064,000	182,000	1,246,000	— 9,100	...	1,091,300	198,200	1,289,500	+ 43,500
258,400	258,500	516,900	— 6,500	...	259,100	259,000	518,100	+ 1,200
461,900	545,600	1,009,900	+ 74,100	1,400	480,700	571,300	1,053,400	+ 43,500
131,500	130,600	262,100	— 18,300	...	133,500	132,100	265,600	+ 3,500
721,200	...	721,200	+ 20,200	...	695,900	...	695,900	— 25,300
,229,000	15,149,700	51,381,100	+ 787,000	1,400	34,591,200	16,111,400	50,704,000	— 677,100
,006,900	4,800	1,011,700	+ 800	...	1,053,900	5,100	1,059,000	+ 47,300
473,400	300	525,100	— 32,000	25,800	547,400	300	573,500	+ 48,400
86,300	...	86,300	— 15,700	...	102,200	...	102,200	+ 15,900
,566,600	5,100	1,623,100	— 46,900	25,800	1,703,500	5,400	1,734,700	+ 111,600
35,400	553,600	589,000	— 56,000	...	49,200	568,700	617,900	+ 28,900
500	310,300	310,800	+ 84,600	...	300	308,500	308,800	— 2,000
77,500	123,400	200,900	— 6,200	...	85,400	120,500	205,900	+ 5,000
1,200	199,700	200,900	— 4,000	...	1,200	197,500	198,700	— 2,200
...	48,200	50,200	+ 1,600	2,000	...	46,100	48,100	— 2,100
16,900	67,100	85,200	+ 14,700	500	18,500	57,200	76,200	— 9,000
131,500	1,302,300	1,437,000	+ 34,700	2,500	154,600	1,298,500	1,455,600	+ 18,600
727,600	34,200	790,800	+ 139,800	10,000	613,300	29,800	653,100	— 137,700
172,900	27,200	299,700	+ 6,500	99,500	169,400	24,800	293,700	— 6,000
7,000	45,900	52,900	— 4,300	...	6,300	46,700	53,000	+ 100
42,100	210,800	270,900	+ 2,800	8,000	41,300	207,000	256,300	— 14,600
949,600	318,100	1,414,300	+ 144,800	117,500	830,300	308,300	1,256,100	— 158,200
,335,600	751,700	3,087,300	+ 356,800	...	2,776,300	940,600	3,716,900	+ 629,600
,030,000	...	5,030,200	+ 375,000	200	4,850,000	...	4,850,200	— 180,000
,365,000	...	3,365,000	— 174,000	...	3,613,000	...	3,613,000	+ 248,000
284,400	660,100	944,500	+ 59,100	...	280,000	662,600	942,600	— 1,900
...	...	...	...	...	...	...	...	...
542,800	...	542,800	— 2,700	...	508,400	...	508,400	— 34,400
,557,800	1,411,800	12,969,800	+ 614,200	200	12,027,700	1,603,200	13,631,100	+ 661,300
160,900	14,000	174,900	— 17,000	...	180,300	15,800	196,100	+ 21,200
...	...	2,700	— 8,300	...	...	...	...	— 2,700
28,900	113,700	142,600	+ 1,300	...	30,200	110,500	140,700	— 1,900
36,700	...	36,700	— 2,500	...	37,700	...	37,700	+ 1,000
7,000	445,400	469,300	— 12,000	22,600	7,400	513,200	543,200	+ 73,900
233,500	573,100	826,200	— 38,500	22,600	255,600	639,500	917,700	+ 91,500
859,600	...	917,100	+ 51,300	51,200	810,000	...	861,200	— 55,900
...	...	...	...	...	...	...	...	...
1,300	...	1,300	+ 1,300	...	...	...	...	— 1,300
860,900	...	918,400	+ 52,600	51,200	810,000	...	861,200	— 57,200
,528,900	18,760,100	70,569,900	+ 1,547,900	221,200	50,372,900	19,966,300	70,560,400	— 9,500
,809,800				50,594,100				

Abstract B.—*Details*

The figures in thick type are those which appear

	ACCOUNTS, 1882-83.				REVISED
	IMPERIAL.		PROVINCIAL AND LOCAL,	TOTAL.	IMPE-
	England.	India.	India.		England.
Interest—	£	£	£	£	£
1.—Interest on Ordinary Debt (excluding that charged to Productive Public Works)	2,481,147	1,508,267	8,055	3,997,469	2,442,900
2.—Interest on other obligations	831	466,783	3,049	470,663	5,100
TOTAL	2,481,978	1,975,050	11,104	4,468,132	2,448,000
Direct Demands on the Revenues—					
3.—Refunds and Drawbacks	...	188,424	128,182	316,606	...
4.—Assignments and Compensations	...	516,771	678,316	1,195,087	...
Charges in respect of Collection, *viz.* :—					
5.—Land Revenue	459	248,802	2,793,230	3,042,491	300
6.—Opium (including cost of Production)	1,585	2,279,329	1,902	2,282,816	1,300
7.—Salt (including cost of Production)	...	387,104	61,926	449,030	4,100
8.—Stamps	44,895	24,936	53,567	123,398	27,700
9.—Excise	...	47,029	47,402	94,431	...
10.—Provincial Rates	...	...	53,455	53,455	...
11.—Customs	...	...	154,982	154,982	...
12.—Assessed Taxes	...	6,426	6,427	12,853	...
13.—Forest	5,325	255,269	306,724	567,318	4,600
14.—Registration	...	92,451	92,050	184,501	...
TOTAL	52,264	4,046,541	4,378,163	8,476,968	38,000
Post Office, Telegraph, and Mint—					
15.—Post Office	101,471	994,467	98,072	1,194,010	105,600
16.—Telegraph	147,018	476,811	1,450	625,279	172,600
17.—Mint	6,031	83,211	38	89,280	5,100
TOTAL	254,520	1,554,489	99,560	1,908,569	283,300
Salaries and Expenses of Civil Departments—					
18.—General Administration	249,836	585,623	728,423	1,563,882	241,700
19.—Law and Justice	1,278	152,063	3,101,730	3,255,071	300
20.—Police	...	80,951	2,561,941	2,642,892	...
21.—Marine (including River Navigation)	123,808	220,896	145,496	490,200	211,200
22.—Education	342	9,316	1,136,312	1,145,970	100
23.—Ecclesiastical	316	161,161	...	161,477	300
24.—Medical	7,362	13,734	671,776	692,872	7,700
25.—Political	26,702	485,872	1,217	513,791	25,900
26.—Scientific and other Minor Departments	26,041	255,153	200,622	481,816	24,500
TOTAL	435,685	1,964,769	8,547,517	10,947,971	511,700
Miscellaneous Civil Charges—					
27.—Territorial and Political Pensions	31,265	654,496	...	685,761	79,800
28.—Civil Furlough and Absentee Allowances	210,988	920	...	211,908	217,000
29.—Superannuation Allowances and Pensions	1,390,146	273,843	539,782	2,203,771	1,425,000
30.—Stationery and Printing	162,588	— 22,152	367,137	507,573	123,000
31.—Miscellaneous	28,527	43,012	209,855	281,394	33,500
TOTAL	1,823,514	950,119	1,116,774	3,890,407	1,878,300
Famine Relief and Insurance—					
32.—Famine Relief	...	6,294	15,809	22,103	200
33.—Protective Works, Railways	...	— 129,101	...	— 129,101	...
34.—Protective Works, Irrigation	...	263,443	...	263,443	...
35.—Reduction of Debt	...	1,343,555	...	1,343,555	...
TOTAL	...	1,484,191	15,809	1,500,000	200
Expenditure on Productive P. W. (Revenue Account)—					
36.—State Railways (Working Expenses)	...	1,153,390	380,786	1,534,176	...
East Indian Railway (Working expenses)	...	2,069,398	...	2,069,398	...
37.—Guaranteed Railways (Surplus Profits, Land, and Supervision)	...	558,772	...	558,772	...
38.—Irrign. and Navign. (Working expenses)	206	199,091	302,639	501,936	...
Madras Irrign. and Canal Co. (Land and Supervision)	...	75	...	75	...
39.—Charges in respect of Capital					
(*a*) Interest on Debt—					
State Railways	...	969,122	257,580	1,226,702	...
East Indian Railway	348,092	138,571	...	486,663	311,400
Irrigation and Navigation	...	325,532	458,656	784,188	...
Miscellaneous Public Improvements	...	20,327	...	20,327	...
(*b*) Annuities in purchase of Guaranteed Railways (including Sinking Funds)	1,216,735	...	...	1,216,735	1,203,300
(*c*) Guaranteed Railways Interest	3,309,834	8,038	...	3,317,872	3,284,200
Madras Irrigation and Canal Co. (Interest)	24,903	...	...	24,903	...
TOTAL	4,899,770	5,442,316	1,399,661	11,741,747	4,798,900
Carried over	9,947,731	17,417,475	15,568,588	42,933,794	9,958,400

of Expenditure.

in the General Account.

R10 = £1.

ESTIMATE, 1883-84.			Increase + Decrease — of Revised as compared with Budget Estimates, 1883-84.	BUDGET ESTIMATE, 1884-85.				Increase + Decrease — of Budget, 1884-85, as compared with Revised Estimates, 1883-84.
RIAL.	PROVINCIAL AND LOCAL.	TOTAL.		IMPERIAL.		PROVINCIAL AND LOCAL.	TOTAL.	
India.	India.			England.	India.	India.		
£	£	£	£	£	£	£	£	£
1,364,700	...	3,807,600	— 16,000	2,410,700	1,276,100	...	3,686,800	— 120,800
434,100	2,900	442,100	+ 1,700	5,100	466,300	4,000	475,400	+ 33,300
1,798,800	2,900	4,249,700	— 14,300	2,415,800	1,742,400	4,000	4,162,200	— 87,500
155,200	219,200	374,400	+ 178,500	...	150,400	70,000	220,400	— 154,000
559,700	696,500	1,256,200	+ 10,100	...	552,900	687,200	1,240,100	— 16,100
261,200	2,981,000	3,242,500	+ 30,800	600	295,800	3,044,300	3,340,700	+ 98,200
1,862,200	...	1,863,500	— 301,800	900	2,352,000	...	2,352,900	+ 489,400
414,500	60,300	478,900	— 67,400	...	446,500	75,200	521,700	+ 42,800
25,200	57,800	110,700	+ 7,700	44,100	25,700	59,900	129,700	+ 19,000
46,300	46,500	92,800	— 1,600	...	49,100	49,500	98,600	+ 5,800
...	53,100	53,100	+ 2,000	...	...	53,000	53,000	— 100
...	138,200	138,200	— 5,500	...	...	142,000	142,000	+ 3,800
6,800	6,800	13,600	— 400	...	6,900	6,900	13,800	+ 200
305,000	375,400	685,000	+ 8,500	3,200	319,500	404,500	727,200	+ 42,200
85,700	85,100	170,800	— 15,500	...	88,600	87,900	176,500	+ 5,700
3,721,800	4,719,900	8,479,700	— 154,600	48,800	4,287,400	4,680,400	9,016,600	+ 536,900
1,019,000	101,300	1,225,900	+ 3,100	101,000	1,042,400	104,100	1,247,500	+ 21,600
533,100	6,100	711,800	— 29,800	193,500	627,700	1,000	822,200	+ 110,400
77,600	...	82,700	+ 7,300	15,300	73,400	...	88,700	+ 6,000
1,629,700	107,400	2,020,400	— 19,400	309,800	1,743,500	105,100	2,158,400	+ 138,000
603,700	740,900	1,586,300	+ 31,400	233,300	599,700	743,500	1,576,500	— 9,800
159,200	3,102,200	3,261,700	— 85,000	2,400	171,600	3,205,100	3,379,100	+ 117,400
66,700	2,693,900	2,760,600	+ 52,600	...	73,700	2,720,200	2,793,900	+ 33,300
278,700	156,800	646,700	+ 131,300	136,600	229,400	151,600	517,600	— 129,100
10,900	1,171,500	1,182,500	— 17,600	100	13,500	1,223,600	1,237,200	+ 54,700
159,900	...	160,200	— 7,400	300	167,100	...	167,400	+ 7,200
17,300	688,000	713,000	— 9,700	7,600	14,800	708,100	730,500	+ 17,500
508,900	900	535,700	+ 93,300	27,300	547,400	800	575,500	+ 39,800
240,900	194,900	460,300	— 35,500	19,800	239,300	189,300	448,400	— 11,900
2,046,200	8,749,100	11,307,000	+ 153,400	427,400	2,056,500	8,942,200	11,426,100	+ 119,100
665,700	...	745,500	+ 2,100	31,300	675,300	...	706,600	— 38,900
700	...	217,700	— 8,800	220,000	900	...	220,900	+ 3,200
219,100	528,100	2,172,200	+ 900	1,422,000	234,600	549,300	2,205,900	+ 33,700
2,400	379,200	504,600	+ 42,600	156,500	10,200	373,100	539,800	+ 35,200
66,400	220,300	320,200	— 44,700	32,000	69,200	199,400	300,600	— 19,600
954,300	1,127,600	3,960,200	— 7,900	1,861,800	990,200	1,121,800	3,973,800	+ 13,600
700	9,100	10,900	— 2,500	...	...	...	...	— 10,000
625,900	...	625,900	— 386,600	...	888,600	250,000	1,138,600	+ 512,700
291,000	...	291,000	— 52,300	...	310,100	...	310,100	+ 19,100
573,100	...	573,100	+ 441,400	...	301,300	...	301,300	— 271,800
1,490,700	9,100	1,500,000	...	...	1,500,000	250,000	1,750,000	+ 250,000
1,244,600	446,400	1,691,000	+ 118,200	5,000	1,474,600	553,100	2,032,700	+ 341,700
2,045,500	...	2,045,500	+ 109,100	...	2,052,500	...	2,052,500	+ 7,000
641,500	..	641,500	+ 58,200	...	530,000	...	530,000	— 111,500
214,500	304,500	519,000	— 30,300	...	243,000	319,100	562,100	+ 43,100
...	...	...	...	...	...	...	...	...
1,017,400	303,600	1,321,000	+ 13,000	25,700	1,081,800	351,700	1,459,200	+ 138,200
191,400	...	502,800	+ 300	322,200	208,900	...	531,100	+ 28,300
382,300	463,400	845,700	— 8,000	...	407,400	472,400	879,800	+ 34,100
...	...	...	— 21,600	...	...	...	...	...
...	...	1,203,300	— 4,300	1,255,100	...	...	1,255,100	+ 51,800
5,700	...	3,289,900	— 11,300	3,235,000	5,300	...	3,240,300	— 49,600
...	...	..	...	...	...	...	..	...
5,742,900	1,517,900	12,059,700	+ 223,300	4,843,000	6,003,500	1,696,300	12,542,800	+ 483,100
17,384,400	16,233,900	43,576,700	+ 180,500	9,906,600	18,323,500	16,799,800	45,029,900	+ 1,453,200

Abstract B.—*Details*

	ACCOUNTS, 1882-83.				REVISED
	IMPERIAL.		PROVINCIAL AND LOCAL.	TOTAL.	IMPE-
	England.	India.	India.		England.
	£	£	£	£	£
Brought forward	9,947,731	17,417,475	15,568,588	42,933,794	9,958,400
Expenditure on Public Works not classed as Productive—					
40.—State Railways (Capital Account)	...	77,611	390,165	467,776	...
41.—State Railways (Working and Maintenance)	...	138,185	11,937	150,122	...
42.—Subsidised Railways	13,671	24,932	1,060	39,663	27,800
Southern Mahratta Railway	...	32,950	...	32,950	...
43.—Frontier Railways	78,302	181,198	...	259,500	...
44.—Irrigation and Navigation	1,234	507,344	392,537	901,115	1,700
45.—Military Works	1,771	962,225	311	964,307	5,800
46.—Civil Buildings, Roads, and Services	82,238	502,691	3,765,385	4,350,314	88,800
TOTAL	177,216	2,427,136	4,561,395	7,165,747	124,100
Army Services—					
47.—Army	3,899,208	12,239,220	...	16,138,428	5,059,700
48.—Military Operations in Afghanistan	...	17,869	...	17,869	...
Military Operations in Egypt	107,811	1,176,142	...	1,283,953	5,900
TOTAL	4,007,019	13,433,231	...	17,440,250	5,065,600
49.—Exchange on Transactions with London	...	3,081,433	...	3,081,433	...
TOTAL	14,131,966	36,359,275	20,129,983	70,621,224	15,148,100
	50,491,241				
Surpluses	+706,633		+112,171	...	...
Deficits	...		−1,314,797	...	...
TOTAL AS PER ABSTRACT A	51,197,874		18,927,357	...	...
Expenditure on Productive Public Works (Capital Account)—					
50.—State Railways	370,114	1,277,138	...	1,647,252	760,000
East Indian Railway	480,333	148,197	...	628,530	504,000
51.—Irrigation and Navigation	...	561,726	...	561,726	11,000
Madras Irrigation and Canal Company's undertakings	1,762,582	...	...	1,762,582	12,800
52.—Miscellaneous Public Improvements	...	49,808	...	49,808	...
TOTAL	2,613,029	2,036,869	...	4,649,898	1,287,800

of Expenditure—continued.

₹10=£1.

ESTIMATE, 1883-84.			Increase + Decrease — of Revised as compared with Budget Estimates, 1883-84.	BUDGET ESTIMATE, 1884-85.				Increase + Decrease — of Budget, 1884-85, as compared with Revised Estimates, 1883-84.
RIAL.	PROVINCIAL AND LOCAL.	TOTAL.		IMPERIAL.		PROVINCIAL AND LOCAL.	TOTAL.	
India.	India.			England.	India.	India.		
£	£	£	£	£	£	£	£	£
17,384,400	16,233,900	43,576,700	+ 180,500	9,906,600	18,323,500	16,799,800	45,029,900	+ 1,453,200
89,000	—463,600	—374,600	— 885,000	...	111,000	55,700	166,700	+ 541,300
160,400	10,500	170,900	— 13,900	...	165,100	11,600	176,700	+ 5,800
65,000	7,500	100,300	— 600	22,200	60,700	5,500	88,400	— 11,900
86,000	...	86,000	+ 1,200	...	89,500	...	89,500	+ 3,500
—22,500	...	—22,500	— 90,000	...	—73,000	...	—73,000	— 50,500
536,200	259,100	797,000	— 7,000	200	559,800	192,400	752,400	— 44,600
1,030,700	...	1,036,500	+ 36,500	3,800	919,200	...	923,000	— 113,500
1,140,100	3,818,900	5,047,800	+ 744,100	83,100	466,400	3,415,800	3,965,300	—1,082,500
3,084,900	3,632,400	6,841,400	— 214,700	109,300	2,298,700	3,681,000	6,089,000	— 752,400
12,016,700	...	17,076,400	+ 1,012,400	3,977,300	12,121,300	...	16,098,600	— 977,800
...	...	...	...	...	...	...	...	...
44,300	...	50,200	+ 50,200	...	...	...	...	— 50,200
12,061,000	...	17,126,600	+ 1,062,600	3,977,300	12,121,300	...	16,098,600	—1,028,000
3,860,000	...	3,860,000	+ 312,000	...	3,538,100	...	3,538,100	— 321,900
36,390,300	19,866,300	71,404,700	+ 1,340,400	13,993,200	36,281,600	20,480,800	70,755,600	—649,100
51,538,400				50,274,800				
+ 271,400	+ 61,900	...	...	+ 319,300		+ 120,100	...	...
...	—1,168,100	...	...	...		—634,600	...	...
	18,760,100	...	...	...	...	19,966,300	...	...
2,309,800	...	3,069,800	+ 674,800	2,035,700	1,239,900	...	3,275,600	+ 205,800
238,000	...	742,000	+ 318,000	...	540,000	...	540,000	— 202,000
729,300	...	740,300	— 237,800	500	948,300	...	948,800	+ 208,500
...	...	12,800	+ 12,800	...	...	...	...	— 12,800
—533,100	...	—533,100	— 556,100	...	...	...	...	+ 533,100
2,744,000	...	4,031,800	+ 211,700	2,036,200	2,728,200	...	4,764,400	+ 732,600

Abstract C.—*Details of Receipts and Disbursements*

The figures in thick type are those

	Accounts, 1882-83.			Revised Estimate, 1883-84.			Budget Estimate, 1884-85.		
	England.	India.	Total.	England.	India.	Total.	England.	India.	Total.
	£	£	£	£	£	£	£	£	£
Revenue (from Abstract A)	831,990	69,293,241	70,125,231	280,900	70,289,000	70,569,900	221,200	70,339,200	70,560,400
Extraordinary Receipts	...	815,345	815,345	...	...	...	...	...	...
Permanent Debt incurred—									
India 3½ p. c. Stock	480,333	...		524,000	...		...	...	
India 4 p. c. Debentures	2,000,000	...		...	...		...	...	
4 p. c. Rupee Loan	...	2,500,000		...	2,500,000		...	...	
Stock Notes	...	169,200		...	26,200		...	20,000	
Proposed Loan	...	...		...	...		6,906,500	2,500,000	
Debentures, &c., E. B. Railway	...	...		...	...		873,700	...	
Miscellaneous	...	910		...	...		...	...	
TOTAL	2,480,333	2,670,110	5,150,443	524,000	2,526,200	3,050,200	7,780,200	2,520,000	10,300,200
NET	...	...	**2,509,150**	...	...	**2,981,200**	...	...	**2,221,100**
Unfunded Debt—									
Temporary Loans	4,250,000	...		1,250,000	...		...	...	
Special Loans	...	1,275		...	...		...	...	
Treasury Notes	...	339,569		...	251,300		...	310,000	
Deposits of Service Funds	4,099	840,429		4,400	654,600		4,600	702,700	
Savings Bank Deposits	...	1,901,263		...	2,477,600		...	2,526,000	
TOTAL	4,254,099	3,082,536	7,336,635	1,254,400	3,383,500	4,637,900	4,600	3,538,700	3,543,300
NET	...	...	0	...	...	**637,400**	...	...	**763,800**
Deposits and Advances—									
Unspent Balances of Provincial Allotments	...	112,171		...	61,900		...	120,100	
Commission for the Reduction of Debt	1,001,393	1,343,555		...	573,300		...	301,300	
Excluded Local Funds	...	685,301		...	660,100		...	632,100	
Political, Railway, and Military Prize Funds	...	29,165		...	7,200		...	10,000	
Departmental and Judicial Deposits	...	12,572,323		...	13,259,300		...	13,221,800	
Advances	6,926	7,680,951		6,800	8,069,700		...	9,506,300	
Suspense Accounts	...	151,317		...	7,000		...	2,600	
Miscellaneous	500,853	752,438		501,400	36,500		500,000	36,500	
TOTAL	1,509,172	23,327,221	24,836,393	508,200	22,675,000	23,183,200	500,000	23,830,700	24,330,700
NET	...	...	**708,023**	...	...	0	...	...	**376,200**
Loans to Municipalities, Native States, &c.	...	390,523	390,523	...	271,100	271,100	...	245,900	245,900
NET	...	...	**299,042**	...	...	**174,100**	...	...	**115,400**
Capital of Guaranteed and Subsidized Companies	1,501,857	1,829,370		1,753,000	2,035,600		1,940,000	1,678,400	
Capital of Southern Mahratta Railway	1,724,626	1,975		100,000	300		...	...	
TOTAL	3,226,483	1,831,345	5,057,828	1,853,000	2,035,900	3,888,900	1,940,000	1,678,400	3,618,400
NET	...	...	**1,556,619**	...	...	0	...	...	0
Carried over	12,302,077	101,410,321		4,420,500	101,180,700		10,446,000	102,152,900	

Other than Revenue and Expenditure:

which appear in the General Account.

Rio = £1.

	Accounts, 1882-83.			Revised Estimate, 1883-84.			Budget Estimate, 1884-85.		
	England.	India.	Total.	England.	India.	Total.	England.	India.	Total.
	£	£	£	£	£	£	£	£	£
Expenditure (from Abstract B)	14,131,966	56,489,258	70,621,224	15,148,100	56,256,600	71,404,700	13,993,200	56,762,400	70,755,600
Add—Provincial Surpluses transferred to "Deposits"	...	+112,171	+112,171	...	+61,900	+61,900	...	+120,100	+120,100
Deduct—Provincial Deficits charged against "Deposits"	...	−1,314,797	−1,314,797	...	−1,168,100	−1,168,100	...	−634,600	−634,600
Productive Public Works Capital Expenditure	2,613,029	2,036,869	4,649,898	1,287,800	2,744,000	4,031,800	2,036,200	2,728,200	4,764,400
Permanent Debt discharged—									
East India Bonds	59,600	...		2,600	...		...	...	
India 5 p. c. Stock	7,585	...		10,000	...		...	...	
5½ p. c. Loans	...	1,960		...	...		...	...	
5 p. c. Loans	...	1,220		...	...		...	...	
5 p. c Debentures	...	597,700		...	...		...	...	
4 p. c. Loans	...	33,572		...	...		...	...	
India 4 p. c. Debentures	...	...		...	...		8,006,500	...	
Debentures, &c., E. B. Railway	...	...		...	...		52,600	...	
Debentures, &c., E. I. Railway	1,939,600	...		30,400	...		...	...	
Miscellaneous	...	56		...	26,000		...	20,000	
Total	(b) 2,006,785	634,508	2,641,293	43,000	26,000	69,000	8,059,100	20,000	8,079,100
Net	...	...	0	...	...	0	...	...	0
Unfunded Debt—									
Temporary Loans	4,250,000	...		1,250,000	...		...	...	
Special Loans	...	...		...	...		...	...	
Treasury Notes	...	154,197		...	143,300		...	147,500	
Deposits of Service Funds	546	1,573,587		800	554,700		1,000	630,300	
Savings Bank Deposits	...	1,522,906		...	2,051,700		...	2,000,700	
Total	4,250,546	3,250,690	7,501,236	1,250,800	2,749,700	4,000,500	1,000	2,778,500	2,779,500
Net	...	...	164,601	...	...	0	...	...	0
Deposits and Advances—									
Unspent Balances of Provincial Allotments	...	1,314,797		...	1,168,100		...	634,600	
Commission for the reduction of Debt	...	(c) 481,000		1,001,400	746,700		...	...	
Excluded Local Funds	...	692,991		...	678,000		...	621,400	
Political, Railway, and Military Prize Funds	...	37,162		...	19,100		...	18,000	
Departmental and Judicial Deposits	...	12,735,273		1,400	13,230,100		...	13,174,500	
Advances	10,656	7,952,185		200	8,146,700		...	9,434,900	
Suspense Accounts	...	87,255		...	133,900		...	27,600	
Miscellaneous	1,454	815,597		...	104,500		...	43,500	
Total	12,110	24,116,260	24,128,370	1,003,000	24,227,100	25,230,100	...	23,954,500	23,954,500
Net	...	...	0	...	...	2,046,900	...	...	0
Loans to Municipalities, Native States, &c.	...	91,481	91,481	...	97,000	97,000	...	130,500	130,500
Net	...	...	0	...	...	0	...	...	0
Capital of Guaranteed and Subsidized Companies	1,407,815	1,342,426		2,104,400	1,744,400		2,793,700	1,792,300	
Capital of Southern Mahratta Railway	130,973	579,995		223,400	387,500		268,700	516,700	
Total	1,538,788	1,922,421	3,461,209	2,327,800	2,131,900	4,459,700	3,062,400	2,309,000	5,371,400
Net	...	...	0	...	...	570,800	...	...	1,753,000
Carried over	24,553,224	87,338,861	...	21,060,500	87,126,100		27,151,900	88,168,600	

(b) Besides £29,801 on account of East Indian Railway Sinking Fund, the cost of purchase of which is included in "Expenditure on Productive Public Works."
(c) Besides £577,641 chargeable against the Account of the Commission, but included in £634,508 under "Permanent Debt discharged."

Abstract C.—*Details of Receipts and Disbursements*

	Accounts, 1882-83.			Revised Estimate, 1883-84.			Budget Estimate, 1884-85.		
	England.	India.	Total.	England.	India.	Total.	England.	India.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward	12,302,077	101,410,321		4,420,500	101,180,700		10,446,000	102,152,900	
Remittances—									
Inland Money Orders	...	6,468,418		...	7,023,000		...	7,600,000	
Other Local Remittances (net)	...	84,042		...	19,900		...	23,300	
Other Departmental Accounts	...	765,864		...	1,050,200		...	1,061,200	
Net Receipts by Civil Treasuries from—									
Post Office	...	300,849		...	474,000		...	470,000	
Guaranteed Railways	...	...		...	4,223,000		...	4,195,500	
Net Receipts from Civil Treasuries by—									
Telegraph	...	65,283		...	111,500		...	153,600	
Marine	...	871,751		...	237,500		...	175,900	
Military	...	11,365,609		...	10,856,400		...	10,996,000	
Public Works	...	3,712,197		...	4,847,300		...	4,608,500	
Remittance Account between England and India	372,166	1,548,059		422,300	1,470,500		296,500	1,428,600	
Total	372,166	25,182,072	25,554,238	422,300	30,313,300	30,735,600	296,500	30,712,600	31,009,100
Net	...	...	186,211	...	...	632,100	...	...	0
Secretary of State's Bills drawn	14,119,128	...	14,119,128	17,800,000	...	17,800,000	16,500,000	...	16,500,000
Total Receipts	26,793,371	126,592,393		22,642,800	131,494,000		27,242,500	132,865,500	
Opening Balance	2,620,909	14,522,913		3,429,874	14,821,550		3,606,174	12,440,050	
Grand Total £	29,414,280	141,115,306		26,072,674	146,315,550		30,848,674	145,305,550	

FORT WILLIAM,
DEPT. OF FINANCE AND COMMERCE;
The 14th March 1884.

E. W. KELLNER,
Deputy Comptroller General.

other than Revenue and Expenditure—continued.

Rio = £1.

	Accounts, 1882-83.			Revised Estimate, 1883-84.			Budget Estimate, 1884-85.		
	England.	India.	Total.	England.	India.	Total.	England.	India.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward	24,553,224	87,338,861		21,060,500	87,126,100		27,151,900	88,168,600	
Remittances—									
Inland Money Orders	...	6,454,198		...	7,023,000		...	7,600,000	
Other Local Remittances	...	...		...	...		...	...	
Other Departmental Accounts	...	762,276		...	577,500		...	1,054,100	
Net Payments into Civil Treasuries by—									
Post Office	...	283,240		...	474,000		...	470,000	
Guaranteed Railways	...	...		...	4,223,000		...	4,195,500	
Net Issues from Civil Treasuries to—									
Telegraph	...	65,583		...	111,500		...	153,600	
Marine	...	872,537		...	237,500		...	175,900	
Military	...	11,374,552		...	10,856,400		...	10,996,000	
Public Works	...	3,659,011		...	4,847,300		...	4,608,500	
Remittance Account between England and India	1,431,182	465,448		1,406,000	347,300		1,634,500	372,500	
TOTAL	1,431,182	23,936,845	25,368,027	1,406,000	28,697,500	30,103,500	1,634,500	29,626,100	31,260,600
NET	...	...	0	...	...	0	...	...	251,500
Secretary of State's Bills paid	...	15,018,050	15,018,050	...	18,051,900	18,051,900	...	16,500,000	16,500,000
Total Disbursements	25,984,406 (d)	126,293,756 (d)		22,466,500	133,875,500		28,786,400	134,294,700	
Closing Balance	3,429,874	14,821,530		3,606,174	12,440,050		2,062,274	11,010,850	
Grand Total	29,414,280	141,115,306		26,072,674	146,315,550		30,848,674	145,305,550	

(*d*) Includes in England £1,001,393, and in India £826,012, on account of the Commission for Reduction of Debt.

J. WESTLAND,
Comptroller General.

D. BARBOUR,
Secretary to the Government of India.

Abstract D.—*Account of Provincial and Local Savings charged to Revenue, and held at the disposal of Provincial Governments under their Provincial contracts.*

Provincial and Local Balances.

NOTE.—These balances do not include the Balances of Deposits and Advances upon Local Fund Accounts.

	India.	Central Provinces.	Burmah.	Assam.	Bengal.	N.-W. P. & Oudh.	Punjab.	Madras.	Bombay.	TOTAL.
	£	£	£	£	£	£	£	£	£	£
Accounts, 1882-83.										
Balance at end of 1881-82 .	5,189	200,212	441,485	103,841	918,061	1,358,748	409,877	647,700	732,743	4,817,856
Added in 1882-83 . . .	4,346	31,606	...	13,700	...	...	...	62,519	...	112,171
Spent in 1882-83 . . .	...	...	199,382	...	548,808	282,788	104,023	...	179,796	1,314,797
Balance at end of 1882-83 .	9,535	231,818	242,103	117,541	369,253	1,075,960	305,854	710,219	552,947	3,615,230
Revised Estimate, 1883-84.										
Balance at end of 1882-83 (by Accounts).	9,535	231,818	242,103	117,541	369,253	1,075,960	305,854	710,219	552,947	3,615,230
Added in 1883-84 . . .	...	61,900	...	...	...	...	...	...	...	61,900
Spent in 1883-84 . . .	500	...	189,300	39,400	179,300	496,900	14,300	84,200	164,200	1,168,100
Balance at end of 1883-84 .	9,035	293,718	52,803	78,141	189,953	579,060	291,554	626,019	388,747	2,509,030
Budget Estimate, 1884-85.										
Balance at end of 1883-84 (by Revised Estimate.)	9,035	293,718	52,803	78,141	199,553	541,560	291,554	626,019	388,747	2,481,130
Added in 1884-85 . . .	...	...	...	...	118,300	...	...	...	1,800	120,100
Spent in 1884-85 . . .	2,200	12,900	15,800	55,800	...	397,900	66,800	83,200	...	634,600
Balance at end of 1884-85 .	6,835	280,818	37,003	22,341	317,853	143,660	224,754	542,819	390,547	1,966,630

E. W. KELLNER,
Deputy Comptroller General.

J. WESTLAND,
Comptroller General.

D. BARBOUR,
Secretary to the Government of India.

FORT WILLIAM,
DEPT. OF FINANCE AND COMMERCE;
The 14th March 1884.

Abstract E.1—*Statement of Net Revenue and Expenditure.*

Net Revenue.

	Accounts, 1882-83.					Revised Estimate, 1883-84.					Budget Estimate, 1884-85.				
	Gross Revenue.	Refunds and Drawbacks.	Total after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.	Gross Revenue.	Refunds and Drawbacks.	Total after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.	Gross Revenue.	Refunds and Drawbacks.	Total after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Land Revenue	21,876,047	91,471	21,784,576	3,042,491	18,742,085	21,869,500	209,000	21,660,500	3,242,500	18,418,000	21,888,200	53,000	21,835,200	3,340,700	18,494,500
Opium	9,499,594	330	9,499,264	2,282,816	7,216,448	9,483,200	400	9,482,800	1,863,500	7,619,300	8,594,200	400	8,593,800	2,352,900	6,240,900
Salt	6,177,781	53,797	6,123,984	449,030	5,674,954	6,267,200	42,400	6,224,800	478,900	5,745,900	6,328,900	41,300	6,287,600	521,700	5,765,900
Stamps	3,379,681	36,633	3,343,048	123,398	3,219,650	3,495,400	37,400	3,458,000	110,700	3,347,300	3,533,000	33,600	3,499,400	129,700	3,369,700
Excise	3,609,561	39,782	3,569,779	94,431	3,475,348	3,774,800	23,900	3,750,900	92,800	3,658,100	3,796,900	19,700	3,777,200	98,600	3,678,600
Provincial Rates	2,683,015	16,578	2,666,437	53,455	2,612,982	2,734,900	10,400	2,724,500	53,100	2,671,400	2,749,300	7,200	2,733,100	53,000	2,680,100
Customs	1,296,119	52,391	1,243,728	154,982	1,088,746	1,246,900	30,800	1,215,200	138,200	1,077,000	1,289,500	43,100	1,246,400	142,000	1,104,400
Assessed Taxes	517,811	20,975	496,836	12,853	483,983	516,900	16,300	500,600	13,600	487,000	518,100	17,700	500,400	13,800	486,600
Forest	938,228	2,953	935,275	567,318	367,957	1,009,900	2,600	1,007,300	685,000	322,300	1,053,400	3,400	1,050,000	727,200	322,800
Registration	285,829	1,686	284,143	184,501	99,642	262,100	1,200	260,900	170,800	90,100	265,600	1,000	264,600	176,500	88,100
Tributes from Native States	689,945	10	689,935	...	689,935	721,200	...	721,200	...	721,200	695,900	...	695,900	...	695,900
	50,953,611	316,606	50,637,005	6,965,275	43,671,730	51,381,100	374,400	51,006,700	6,849,100	44,157,600	50,704,000	220,400	50,483,600	7,556,100	42,927,500
Deduct—Assignments and Compensations					1,195,087					1,256,200					1,240,100
					42,476,643					42,901,400					41,687,400
Productive Public Works			12,224,100	11,741,747	482,353			12,969,800	12,059,700	910,100			13,631,100	12,542,800	1,088,300
Total Net Revenue	...	...	...	...	42,958,996					43,811,500					42,775,700

Net Expenditure.

	Accounts, 1882-83.			Revised Estimate, 1883-84.			Budget Estimate, 1884-85.		
	Gross Expenditure.	Receipts.	Net Expenditure.	Gross Expenditure.	Receipts.	Net Expenditure.	Gross Expenditure.	Receipts.	Net Expenditure.
	£	£	£	£	£	£	£	£	£
Interest	4,468,132		4,468,132	4,249,700	...	4,249,700	4,162,200	...	4,162,200
Post Office, Telegraph & Mint	1,908,569	1,708,994	199,575	2,020,400	1,623,100	397,300	2,158,400	1,734,700	423,700
Civil Department	10,947,971	1,437,246	9,510,725	11,307,000	1,437,000	9,870,000	11,426,100	1,455,600	9,970,500
Miscellaneous Civil Charges	3,890,407	1,378,515	2,511,892	3,960,200	1,414,300	2,545,900	3,973,800	1,256,100	2,717,700
Famine Relief and Insurance	1,500,000	...	1,500,000	1,500,000	...	1,500,000	1,750,000	...	1,750,000
Public Works not classed as Productive	7,165,747	830,582	6,335,165	6,841,400	826,200	6,015,200	6,089,000	917,700	5,171,300
Army Services	17,440,250	1,592,183	15,848,067	17,126,600	918,400	16,208,200	16,098,600	861,200	15,237,400
Exchange on Transactions with London	3,081,433	...	3,081,433	3,860,000	...	3,860,000	3,538,100	...	3,538,100
	50,402,509	6,947,520	43,454,989	50,865,300	6,219,000	44,646,300	49,196,200	6,225,300	42,970,900
Provincial and Local Surpluses and Deficits	Surplus. 112,171	Deficit. 1,314,797	—1,202,626	Surplus. 61,900	Deficit. 1,168,100	—1,106,200	Surplus. 120,100	Deficit. 634,600	—514,500
Total Net Expenditure			42,252,363			43,540,100			42,456,400
Surplus (+) or Deficit (—)			+706,633			+271,400			+319,300
			42,958,996			43,811,500			42,775,700

Fort William,
Dept. of Finance and Commerce;
The 14th March 1884.

E. W. KELLNER,
Deputy Comptroller General.

J. WESTLAND,
Comptroller General.

D. BARBOUR,
Secretary to the Government of India.

APPENDIX II.

BUDGET ESTIMATES, 1883-84.

ARRANGED ACCORDING TO THE NEW CLASSIFICATION.

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Budget Estimate, 1883-84	50 to 52

Budget Estimate, 1883-84, *according to the new classification.*

The figures in thick type are those which appear in the General Account. **Rio=£1.**

	BUDGET ESTIMATE, 1883-84.			
	Imperial.		Provincial and Local.	Total.
	England.	India.	India.	
	£	£	£	£
Principal Heads of Revenue—				
I.—Land Revenue	...	13,514,500	8,278,200	21,792,700
II.—Opium	...	9,200,000	...	9,200,000
III.—Salt	...	6,136,500	30,500	6,167,000
IV.—Stamps	...	1,729,600	1,697,600	3,427,200
V.—Excise	...	1,826,300	1,797,000	3,623,300
VI.—Provincial Rates	...	500	2,687,700	2,688,200
VII.—Customs	...	1,061,800	193,300	1,255,100
VIII.—Assessed Taxes	...	261,700	261,700	523,400
IX.—Forest	2,500	426,800	506,500	935,800
X.—Registration	...	140,600	139,800	280,400
XI.—Tributes from Native States	...	701,000	...	701,000
Total	2,500	34,999,300	15,592,300	**50,594,100**
Post Office, Telegraph, and Mint—				
XII.—Post Office	...	1,006,900	4,900	1,010,900
XIII.—Telegraph	43,000	514,000	100	557,100
XIV.—Mint	...	102,000	...	102,000
Total	43,000	1,622,000	5,000	**1,670,000**
Receipts by Civil Departments—				
XV.—Law and Justice	...	39,200	605,800	645,000
XVI.—Police	...	200	226,000	226,200
XVII.—Marine	...	89,000	118,100	207,100
XVIII.—Education	...	900	204,000	204,900
XIX.—Medical	2,000	100	46,500	48,600
XX.—Scientific and other Minor Departments	500	17,200	52,800	70,500
Total	2,500	146,600	1,253,200	**1,402,300**
Miscellaneous—				
XXI.—Interest	5,000	615,600	30,400	651,000
XXII.—Receipts in aid of superannuations, &c.	99,700	168,400	25,100	293,200
XXIII.—Stationery and Printing	...	7,000	50,200	57,200
XXIV.—Miscellaneous	8,000	38,700	221,400	268,100
Total	112,700	829,700	327,100	**1,269,500**
Revenue from Productive Public Works—				
XXV.—State Railways (Gross Earnings)	...	1,984,000	746,500	2,730,500
East Indian Railway (Gross Earnings)	200	4,655,000	...	4,655,200
XXVI.—Guarantd. Railways (net Traffic Receipts)	...	3,539,000	...	3,539,000
XXVII.—Irrigation and Navigation (direct Receipts)	...	273,200	612,200	885,400
Madras Irrign.&Canal Co.(net Traffic Receipts)	...	...	...	...
XXVIII.—Portion of Land Revenue due to Irrigation	...	545,500	...	545,500
Total	200	10,996,700	1,358,700	**12,355,600**
Receipts on account of Public Works not classed as Productive—				
XXIX.—State Railways	...	157,400	34,500	191,900
XXX.—Subsidized Railways	1,000	10,000	...	11,000
XXXI.—Irrigation and Navigation	...	31,000	110,300	141,300
XXXII.—Military Works	...	39,200	...	39,200
XXXIII.—Civil Buildings, Roads, and Services	17,400	7,300	456,600	481,300
Total	18,400	244,900	601,400	**864,700**
Receipts by Military Departments—				
XXXIV.—Army	41,000	824,800	...	865,800
XXXV.—Military operations in Afghanistan	...	...	...	...
XXXV.—Military operations in Egypt	...	...	...	...
Total	41,000	824,800	...	865,800
	220,300	49,664,000		
Total Revenues	49,884,300		19,137,700	**69,022,000**

Budget Estimate, 1883-84, *according to the new classification.*

The figures in thick type are those which appear in the General Account. **R10=£1.**

	BUDGET ESTIMATE, 1883-84.			
	Imperial.		Provincial and Local.	Total.
	England.	India.	India.	
Interest—	£	£	£	£
1.—Interest on Ordinary Debt (excluding that charged to Productive Public Works)	2,494,700	1,321,900	7,000	3,823,600
2.—Interest on Deposits	3,000	433,700	3,700	440,400
Total	2,497,700	1,755,600	10,700	**4,264,000**
Direct Demands on the Revenues—				
3.—Refunds and Drawbacks	...	129,200	66,700	195,900
4.—Assignments and Compensations	...	547,600	698,500	1,246,100
Charges in respect of collection, *viz.*:—				
5.—Land Revenue	900	280,400	2,930,400	3,211,700
6.—Opium (including cost of Production	1,000	2,164,300	...	2,165,300
7.—Salt (including cost of Production)	...	482,400	63,900	546,300
8.—Stamps	23,400	25,100	54,500	103,000
9.—Excise	...	47,000	47,400	94,400
10.—Provincial Rates	...	...	51,100	51,100
11.—Customs	...	...	143,700	143,700
12.—Assessed Taxes	...	7,000	7,000	14,000
13.—Forest	5,000	297,400	374,100	676,500
14.—Registration	...	93,400	92,900	186,300
Total	30,300	4,073,800	4,530,200	**8,634,300**
Post Office, Telegraph, and Mint—				
15.—Post Office	102,000	1,016,000	104,800	1,222,800
16.—Telegraph	198,000	543,200	400	741,600
17.—Mint	4,200	71,200	...	75,400
Total	304,200	1,630,400	105,200	**2,039,800**
Salaries and Expenses of Civil Departments—				
18.—General Administration	239,000	592,500	723,400	1,554,900
19.—Law and Justice	1,600	162,900	3,182,200	3,346,700
20.—Police	...	76,400	2,631,600	2,708,000
21.—Marine (including River Navigation)	136,700	229,500	149,200	515,400
22.—Education	300	9,200	1,190,600	1,200,100
23.—Ecclesiastical	300	167,300	...	167,600
24.—Medical	7,500	14,500	700,700	722,700
25.—Political	27,300	414,300	800	442,400
26.—Scientific, and other Minor Departments	20,800	262,400	212,600	495,800
Total	433,500	1,929,000	8,791,100	**11,153,600**
Miscellaneous Civil Charges—				
27.—Territorial and Political Pensions	79,300	664,100	...	743,400
28.—Civil Furlough and Absentee Allowances	225,000	1,500	...	226,500
29.—Superannuation Allowances and Pensions	1,415,000	232,000	524,300	2,171,300
30.—Stationery and Printing	133,000	—23,900	352,900	462,000
31.—Miscellaneous	30,000	69,400	265,500	364,900
Total	1,882,300	943,100	1,142,700	**3,968,100**
Famine Relief and Insurance—				
32.—Famine Relief	...	...	12,500	12,500
33.—Protective Works, Railways	...	1,012,500	...	1,012,500
34.—Protective Works, Irrigation	...	343,300	...	343,300
35.—Reduction of Debt	...	131,700	...	131,700
Total	...	1,487,500	12,500	**1,500,000**
Carried over	5,148,000	11,819,400	14,592,400	31,559,800

Budget Estimate, 1883-84, *according to the new classification.*

The figures in thick type are those which appear in the General Account. ₹10=£1.

	BUDGET ESTIMATE, 1883-84.			
	Imperial.		Provincial and Local.	Total.
	England.	India.	India.	
	£	£	£	£
Brought forward	5,148,000	11,819,400	14,592,400	31,559,800
Expenditure on Productive Public Works (Revenue Account)—				
36.—State Railways (Working and Maintenance)	...	1,165,800	407,000	1,572,800
East Indian Railway	...	1,936,400	...	1,936,400
37.—Guaranteed Railways (Surplus Profits, &c.)	...	583,300	...	583,300
38.—Irrign. & Navign. (Working & Maintenance)	...	248,800	300,500	549,300
39.—Charges in respect of Capital	...	...	...	...
a. Interest on Debt—				
State Railways	...	1,004,900	303,100	1,308,000
East Indian Railway	301,600	200,900	...	502,500
Irrigation	...	388,000	465,700	853,700
Miscellaneous Public Improvements	...	21,600	...	21,600
b. Annuities in purchase of Guaranteed Railways (including Sinking Fund)	1,207,600	...	...	1,207,600
c. Guaranteed Railways, Interest	3,296,000	5,200	...	3,301,200
TOTAL	4,805,200	5,554,900	1,476,300	**11,836,400**
Expenditure on Public Works not classed as productive—				
40.—State Railways (Capital Account)	...	87,500	422,900	510,400
41.—State Railways (Working and Maintenance)	...	157,600	27,200	184,800
42.—Subsidized Railways	29,600	55,000	16,300	100,900
Southern Mahratta Railway	...	84,800	...	84,800
43.—Frontier Railways	...	67,500	...	67,500
44.—Irrigation and Navigation	2,000	488,000	314,000	894,000
45.—Military Works	400	999,600	...	1,000,000
46.—Civil Buildings, Roads, and Services	101,700	414,100	3,787,900	4,303,700
TOTAL	133,700	2,354,100	4,568,300	**7,056,100**
Army Services—				
47.—Army	4,045,200	12,018,800	...	16,064,000
48.—Military Operations in Afghanistan	...	...	...	...
Military Operations in Egypt	...	...	...	...
TOTAL	4,045,200	12,018,800	...	**16,064,000**
49.—Exchange on Transactions with London	...	3,548,000	...	**3,548,000**
TOTAL	14,132,100	35,295,200	20,637,000	**70,064,300**
SURPLUSES	49,427,300			
DEFICITS	+457,000		+14,700	
	...		—1,514,000	
Total as per Abstract A	49,884,300		19,137,700	
Expenditure on Productive Public Works (Capital Account)—				
50.—State Railways	812,000	1,583,000	...	2,395,000
East Indian Railway	...	424,000	...	424,000
51.—Irrigation and Navigation	22,600	955,500	...	978,100
Madras Irrigation and Canal Co.'s Undertakings	...	...	...	...
52.—Miscellaneous Public Improvements	...	23,000	...	23,000
TOTAL	834,600	2,985,500	...	**3,820,100**

E. W. KELLNER,
Deputy Comptroller General.

J. WESTLAND,
Comptroller General.

D. BARBOUR,
Secy. to the Govt. of India.

FORT WILLIAM,
DEPT. OF FINANCE AND COMMERCE;
The 14th March 1884.

APPENDIX III.

ACCOUNTS AND ESTIMATES.

Accounts . . .	1872-73 to 1882-83.
Estimates . . .	1883-84 & 1884-85.

CONTENTS.

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Details of Revenue	56 & 57
Details of Expenditure	58 to 61

N. B.—The Provincial and Local Revenue and Expenditure are incorporated in these figures. In the actual accounts they were not incorporated till 1878-79, being represented only by a net entry against "Provincial Services."

General Comparative Statement of Revenue and

	1871-72.	1872-73.	1873-74.	1874-75.
Revenue—	£	£	£	£
Principal Heads of Revenue—				
Land Revenue	20,531,719	21,375,076	21,060,274	21,332,176
Opium	9,253,859	8,684,691	8,324,879	8,556,629
Salt	5,967,619	6,167,032	6,152,977	6,229,396
Stamps	2,476,333	2,610,025	2,699,936	2,758,042
Excise	2,370,501	2,324,915	2,287,680	2,347,274
Other Heads	6,487,647	6,660,177	6,095,900	6,083,870
TOTAL PRINCIPAL HEADS	47,087,678	47,821,916	46,621,646	47,307,387
Post Office, Telegraph, and Mint	1,145,521	884,650	1,005,641	1,185,319
Receipts by Civil Departments	1,295,071	1,240,808	1,314,381	1,333,288
Miscellaneous	1,663,444	1,557,655	1,690,436	1,877,184
Revenue from Productive Public Works	3,563,772	3,228,718	4,019,411	4,645,443
Receipts on account of Public Works not classed as Productive	635,557	665,622	749,816	673,689
Receipts by Military Departments	944,420	906,810	1,011,039	988,838
TOTAL REVENUE	56,335,463	56,306,179	56,412,370	58,011,148
Expenditure—				
Interest	5,749,471	5,564,444	5,382,039	4,848,378
Direct Demands on the Revenues	6,893,395	7,262,784	7,388,495	7,813,576
Post Office, Telegraph, and Mint	1,273,201	1,339,077	1,372,665	1,460,682
Salaries and Expenses of Civil Depts.	9,464,524	9,615,545	9,777,885	10,050,500
Miscellaneous Civil Charges	3,226,312	3,441,771	3,545,278	3,742,468
Famine Relief and Insurance	...	...	3,864,706	2,242,922
Expenditure on Productive Public Works (Revenue Account)	5,173,848	5,458,111	5,625,134	6,081,551
Expenditure on Public Works not classed as Productive	4,832,371	5,176,015	5,621,332	5,451,919
Army Services	15,678,112	15,503,612	15,228,429	15,375,159
Exchange on Transactions with London	428,920	691,287	879,411	785,820
TOTAL	52,720,154	54,052,646	58,685,374	57,852,975
Add—				
Provincial Surpluses, that is, Allotments to Provincial Governments, unspent by them	491,132	487,861	8,196	89,359
Deduct—				
Provincial Deficits, that is, Portion of Provincial Expenditure defrayed from Provincial Balances	...	...	—473,532	—250,383
TOTAL EXPENDITURE CHARGED AGAINST REVENUE	53,211,286	54,540,507	58,220,038	57,691,951
Surplus (+) or deficit (—) on Revenue Account	+3,124,177	+1,765,672	—1,807,668	+319,197
Expenditure on Productive Public Works, Capital Account	1,628,474	2,184,569	3,553,307	4,249,571

Expenditure, 1871-72 to 1884-85.

1875-76.	1876-77.	1877-78.	1878-79.	1879-80.	1880-81.	1881-82.	1882-83.	Revised Estimate, 1883-84.	Budget Estimate, 1884-85.
£	£	£	£	£	£	£	£	£	£
21,540,480	19,891,491	19,891,145	22,323,868	21,861,150	21,112,995	21,948,022	21,876,047	21,869,500	21,888,200
8,471,425	9,122,460	9,182,722	9,399,401	10,319,162	10,480,051	9,862,444	9,499,594	9,483,200	8,594,200
6,245,555	6,305,869	6,461,225	6,941,120	7,266,413	7,115,988	7,375,620	6,177,781	6,267,200	6,328,900
2,835,368	2,838,628	2,993,483	3,110,540	3,193,739	3,250,581	3,381,372	3,379,681	3,495,400	3,533,000
2,494,339	2,523,986	2,458,029	2,619,349	2,838,021	3,135,226	3,427,274	3,609,561	3,774,800	3,796,900
6,297,705	5,939,963	6,569,721	7,441,770	7,596,160	7,607,461	7,659,729	6,410,947	6,491,000	6,562,800
47,884,872	46,622,397	47,556,325	51,836,048	53,074,645	52,702,302	53,654,461	50,953,611	51,381,100	50,704,000
1,185,280	1,397,546	1,652,720	1,510,835	1,740,493	1,647,305	1,489,699	1,708,994	1,623,100	1,734,700
1,287,669	1,298,731	1,397,945	1,385,568	1,439,771	1,468,150	1,513,083	1,437,246	1,437,000	1,455,600
1,858,361	1,721,216	1,650,413	1,691,165	1,666,580	1,985,959	1,707,226	1,378,515	1,414,300	1,256,100
4,964,959	5,890,281	7,826,136	6,927,224	8,675,242	10,864,102	12,230,858	12,224,100	12,969,800	13,631,100
685,001	729,226	920,131	739,695	696,133	745,221	727,799	830,582	826,200	917,700
1,045,612	925,473	869,981	974,781	1,079,982	4,221,734	3,821,475	1,592,183	918,400	861,200
58,911,754	58,524,870	61,873,651	65,065,316	68,372,846	73,634,773	75,144,601	70,125,231	70,569,900	70,560,400
4,830,355	4,907,443	5,031,202	4,959,066	4,976,306	4,083,220	4,558,100	4,468,132	4,249,700	4,162,200
7,874,693	8,401,780	8,313,841	7,467,620	7,858,312	8,046,021	8,220,111	8,476,968	8,479,700	9,016,600
1,504,420	1,523,477	1,577,076	1,663,382	1,706,246	1,765,957	1,771,662	1,908,569	2,020,400	2,158,400
10,276,652	10,539,372	10,392,252	10,384,384	10,388,441	10,581,117	11,038,504	10,947,971	11,307,000	11,426,100
4,138,988	3,752,059	3,757,125	3,857,054	3,945,871	3,927,883	4,044,532	3,890,407	3,960,200	3,973,800
601,966	2,145,431	5,345,985	313,420	103,990	34,469	1,500,000	1,500,000	1,500,000	1,750,000
6,260,526	6,579,434	7,369,807	8,180,919	8,952,899	10,741,753	11,097,800	11,741,747	12,059,700	12,542,800
5,525,569	5,192,289	5,066,965	5,171,501	6,371,166	7,397,443	6,393,531	7,165,747	6,841,400	6,089,000
15,308,460	15,792,112	16,639,761	17,092,488	21,712,862	28,086,495	18,861,142	17,440,250	17,126,600	16,098,600
1,355,861	2,059,311	1,554,922	3,225,831	2,926,403	2,716,809	3,556,700	3,081,433	3,860,000	3,538,100
57,677,490	60,892,708	65,048,936	62,315,665	68,942,496	77,381,167	71,042,082	70,621,224	71,404,700	70,755,600
10,065	238,962	393,458	716,378	633,077	336,686	1,521,019	112,171	61,900	120,100
—444,746	—364,022	—25,656	—973	—19,778	—38,725	—1,227	—1,314,797	—1,168,100	—634,600
57,242,809	60,767,648	65,416,738	63,031,070	69,555,795	77,679,128	72,561,874	69,418,598	70,298,500	70,241,100
+1,668,945	—2,182,778	—3,543,087	+2,034,246	—1,182,949	—4,044,355	+2,582,727	+706,633	+271,400	+319,300
4,270,629	3,809,284	4,791,052	4,381,898	13,095,192	3,656,505	3,311,423	4,649,898	4,031,800	4,764,400

Details of Revenue,

	1871-72.	1872-73.	1873-74.	1874-75.
	£	£	£	£
Principal Heads of Revenue—				
I.—Land Revenue	20,531,719	21,375,076	21,060,274	21,332,176
II.—Opium	9,253,859	8,684,691	8,324,879	8,556,629
III.—Salt	5,967,619	6,167,032	6,152,977	6,229,396
IV.—Stamps	2,476,333	2,610,025	2,699,936	2,758,042
V.—Excise	2,370,501	2,324,915	2,287,680	2,347,274
VI.—Provincial Rates	1,636,635	1,893,398	1,834,532	1,872,938
VII.—Customs	2,579,437	2,657,878	2,636,450	2,682,233
VIII.—Assessed Taxes	851,917	601,473	34,483	20,191
IX.—Forest	517,664	588,002	639,513	598,367
X.—Registration	157,958	177,961	182,378	185,169
XI.—Tributes from Native States	744,036	741,465	768,544	724,972
TOTAL	47,087,678	47,821,916	46,621,646	47,307,387
Post Office, Telegraph, and Mint—				
XII.—Post Office	821,003	580,587	688,459	739,819
XIII.—Telegraph	228,368	249,802	250,638	286,479
XIV.—Mint	96,150	54,261	66,544	159,021
TOTAL	1,145,521	884,650	1,005,641	1,185,319
Receipts by Civil Departments—				
XV.—Law and Justice	558,682	594,695	626,837	606,876
XVI.—Police	350,185	235,757	238,538	207,980
XVII.—Marine	196,894	208,943	236,332	302,067
XVIII.—Education	157,333	148,390	150,806	141,431
XIX.—Medical	22,943	32,088	38,344	45,575
XX.—Scientific and other Minor Departments	9,034	20,935	23,524	29,359
TOTAL	1,295,071	1,240,808	1,314,381	1,333,288
Miscellaneous—				
XXI.—Interest	371,477	519,081	467,509	559,416
XXII.—Receipts in aid of Superannuations, &c.	685,503	590,436	701,581	702,881
XXIII.—Stationery and Printing	17,259	31,732	54,938	50,491
XXIV.—Miscellaneous	589,205	416,406	466,408	564,396
TOTAL	1,663,444	1,557,655	1,690,436	1,877,184
Revenue from Productive Public Works—				
XXV.—State Railways (Gross Earnings)	3,766	16,533	39,914	130,986
East Indian Railway (Gross Earnings)	...	...	...	...
XXVI.—Guaranteed Railways (Net Traffic Receipts)	1,581,941	1,205,444	1,589,671	1,959,659
East Indian Railway (Net Traffic Receipts)	1,606,148	1,654,933	2,023,443	2,171,905
XXVII.—Irrigation and Navigation (Direct Receipts)	380,122	358,393	377,018	389,927
Madras Irrigation and Canal Company (Net Traffic Receipts)	—8,205	—6,585	—10,635	—7,034
XXVIII.—Portion of Land Revenue due to Irrigation (*a*)	...	...	...	...
TOTAL	3,563,772	3,228,718	4,019,411	4,645,443
Receipts on account of Public Works not classed as Productive—				
XXIX.—State Railways	...	...	...	...
XXX.—Subsidized Railways	...	...	...	...
XXXI.—Irrigation and Navigation	98,811	124,417	165,674	146,491
XXXII.—Military Works (*b*)	...	16,939	17,303	16,675
XXXIII.—Civil Buildings, Roads, and Services	536,746	524,266	566,839	510,523
TOTAL	635,557	665,622	749,816	673,689
Receipts by Military Departments—				
XXXIV.—Army	944,420	906,810	1,011,039	988,838
XXXV.—Military Operations in Afghanistan	...	...	...	...
Military Operations in Egypt	...	...	...	...
TOTAL	944,420	906,810	1,011,039	988,838
TOTAL REVENUE	56,335,463	56,306,179	56,412,370	58,011,148

(*a*) Not separately stated till 1877-78. (*b*) The figure for 1871-72 is not stated separately from

1871-72 to 1884-85.

1875-76.	1876-77.	1877-78.	1878-79.	1879-80.	1880-81.	1881-82.	1882-83.	Revised Estimate, 1883-84.	Budget Estimate, 1884-85.
£	£	£	£	£	£	£	£	£	£
21,540,480	19,891,491	19,891,145	22,323,868	21,861,150	21,112,995	21,948,022	21,876,047	21,869,500	21,888,200
8,471,425	9,122,460	9,182,722	9,399,401	10,319,162	10,480,051	9,862,444	9,499,594	9,483,200	8,594,200
6,245,555	6,305,869	6,461,225	6,941,120	7,266,413	7,115,988	7,375,620	6,177,781	6,267,200	6,328,900
2,835,368	2,838,628	2,993,483	3,110,540	3,193,739	3,250,581	3,381,372	3,379,681	3,495,400	3,533,000
2,494,339	2,523,986	2,458,029	2,619,349	2,838,021	3,135,226	3,427,274	3,609,561	3,774,800	3,796,900
1,947,255	1,930,325	2,255,937	2,638,835	2,882,125	2,776,370	2,895,490	2,683,015	2,734,900	2,740,300
2,724,426	2,484,448	2,624,123	2,326,561	2,280,793	2,539,612	2,361,388	1,296,119	1,246,000	1,289,500
14,642	14,535	101,682	900,920	785,318	558,720	536,829	517,811	516,900	518,100
697,543	616,468	678,699	605,433	676,234	709,320	874,435	938,228	1,009,900	1,053,400
187,651	199,253	234,160	266,361	269,239	281,230	284,714	285,829	262,100	265,600
726,188	694,934	675,120	703,660	702,451	742,209	706,873	689,945	721,200	695,900
47,884,872	**46,622,397**	**47,556,325**	**51,836,048**	**53,074,645**	**52,702,302**	**53,654,461**	**50,953,611**	**51,381,100**	**50,704,000**
765,751	797,465	850,431	911,806	1,004,372	1,018,653	949,907	977,797	1,011,700	1,059,000
309,040	341,227	358,430	426,694	505,552	539,087	469,208	545,315	525,100	573,500
110,489	258,854	443,859	172,335	230,569	89,565	70,584	185,882	86,300	102,200
1,185,280	**1,397,546**	**1,652,720**	**1,510,835**	**1,740,493**	**1,647,305**	**1,489,699**	**1,708,994**	**1,623,100**	**1,734,700**
593,805	609,033	618,388	647,131	658,902	687,764	677,454	656,934	589,000	617,900
234,736	216,856	255,254	211,108	227,657	241,769	248,005	227,642	310,800	308,800
229,732	233,179	231,538	250,595	258,187	246,519	237,876	222,422	200,900	205,900
147,140	150,056	152,990	147,425	139,414	170,238	189,292	198,558	200,900	198,700
34,694	36,677	37,982	44,332	56,329	43,368	39,507	56,010	50,200	48,100
47,562	52,930	101,793	84,977	99,282	78,492	120,949	75,680	85,200	76,200
1,287,669	**1,298,731**	**1,397,945**	**1,385,568**	**1,439,771**	**1,468,150**	**1,513,083**	**1,437,246**	**1,437,000**	**1,455,600**
578,223	542,699	534,243	628,367	748,050	875,679	896,904	693,864	790,800	653,100
753,371	611,205	601,611	667,485	525,141	315,999	356,273	305,260	299,700	293,700
59,135	50,024	35,381	47,096	56,019	62,462	57,811	57,858	52,900	53,000
467,632	517,288	479,178	348,217	337,370	731,819	396,238	321,533	270,900	256,300
1,858,361	**1,721,216**	**1,650,413**	**1,691,165**	**1,666,580**	**1,985,959**	**1,707,226**	**1,378,515**	**1,414,300**	**1,256,100**
292,835	380,668	582,077	976,828	1,548,728	2,268,905	2,556,542	2,646,327	3,087,300	3,716,900
...	...	...	...	1,177,692	4,252,841	4,710,506	4,601,288	5,030,200	4,850,200
2,452,481	2,641,762	3,627,968	2,709,998	2,476,347	2,894,653	3,615,479	3,582,046	3,365,000	3,613,000
1,807,729	2,445,879	2,965,491	2,491,308	2,146,237	18,890	146	...	...	...
429,679	425,201	502,981	613,270	708,041	639,144	865,799	930,982	944,500	942,600
—17,765	—3,229	—8,750	8,886	15,799	—7,650	—8,834	—5,624	...	...
...	...	156,369	126,934	602,398	797,319	491,220	469,081	542,800	508,400
4,964,959	**5,890,281**	**7,826,136**	**6,927,224**	**8,675,242**	**10,864,102**	**12,230,858**	**12,224,100**	**12,969,800**	**13,631,100**
...	...	...	...	...	...	...	138,792	174,900	196,100
...	...	...	...	...	...	2,290	3,680	2,700	...
163,095	177,269	166,104	168,619	193,067	197,908	131,239	139,057	142,600	140,700
16,478	39,251	39,237	39,554	38,255	36,727	50,298	44,306	36,700	37,700
505,428	512,706	714,790	531,522	464,811	510,586	543,972	504,747	469,300	543,200
685,001	**729,226**	**920,131**	**739,695**	**696,133**	**745,221**	**727,799**	**830,582**	**826,200**	**917,700**
1,045,612	925,473	869,981	974,781	1,029,483	924,127	1,161,707	1,007,480	917,100	861,200
...	...	...	...	50,499	3,297,607	2,659,768	...	...	...
...	...	...	...	...	...	...	584,703	1,300	...
1,045,612	**925,473**	**869,981**	**974,781**	**1,079,982**	**4,221,734**	**3,821,475**	**1592,183**	**918,400**	**861,200**
58,911,754	**58,584,870**	**61,873,651**	**65,065,316**	**68,372,846**	**73,634,773**	**75,144,601**	**70,125,231**	**70,569,900**	**70,560,400**

Civil Buiidings, Roads and Services"; in the next four years the figure for "India, General" alone can be thus separately stated.

Details of Expenditure,

	1871-72.	1872-73.	1873-74.	1874-75.
	£	£	£	£
Interest—				
1.—Interest on Ordinary Debt (excluding that charged to Productive Public Works)	5,266,664	5,008,553	4,840,947	4,468,557
2.—Interest on other Obligations	482,807	555,891	541,092	379,821
TOTAL	**5,749,471**	**5,564,444**	**5,382,039**	**4,848,378**
Direct Demands on the Revenues—				
3.—Refunds and Drawbacks	191,507	258,938	231,375	225,434
4.—Assignments and Compensations	876,089	898,981	870,751	897,656
Charges in respect of Collection, *viz.*:—				
5.—Land Revenue	2,808,015	2,824,546	2,866,599	2,865,172
6.—Opium (including cost of Production)	1,596,646	1,814,268	2,001,280	2,341,546
7.—Salt (including cost of Production)	478,244	477,741	479,636	463,714
8.—Stamps	103,779	92,101	88,840	125,470
9.—Excise	139,589	134,045	98,444	91,916
10.—Provincial Rates	11,964	47,958	37,085	41,292
11.—Customs	187,287	183,031	186,767	187,124
12.—Assessed Taxes	29,976	13,458	2,232	14
13.—Forest	359,451	400,186	403,447	444,021
14.—Registration	110,848	117,531	122,039	130,217
TOTAL	**6,893,395**	**7,262,784**	**7,388,495**	**7,813,576**
Post Office, Telegraph, and Mint—				
15.—Post Office	738,279	769,318	883,181	895,966
16.—Telegraph	450,602	483,549	411,837	432,109
17.—Mint	84,320	86,210	77,647	132,607
TOTAL	**1,273,201**	**1,339,077**	**1,372,665**	**1,460,682**
Salaries and Expenses of Civil Departments—				
18.—General Administration	1,389,451	1,403,348	1,419,775	1,386,786
19.—Law and Justice	2,850,249	2,850,001	3,000,303	3,074,440
20.—Police	2,538,505	2,425,764	2,443,418	2,450,088
21.—Marine (including River Navigation)	523,391	514,554	481,441	549,335
22.—Education	850,163	881,020	914,831	986,802
23.—Ecclesiastical	158,192	156,762	163,562	165,551
24.—Medical	532,221	593,684	620,820	657,439
25.—Political	316,104	392,300	366,756	404,595
26.—Scientific and other Minor Departments	306,248	398,112	366,979	375,464
TOTAL	**9,464,524**	**9,615,545**	**9,777,885**	**10,050,500**
Miscellaneous Civil Charges—				
27.—Territorial and Political Pensions	848,421	850,909	985,949	840,712
28.—Civil Furlough & Absentee Allowances	174,434	157,006	258,942	217,378
29.—Superannuation Allowances & Pensions	1,505,787	1,626,948	1,576,885	1,831,378
30.—Stationery and Printing	297,497	315,904	358,393	427,083
31.—Miscellaneous	400,173	491,004	365,109	425,917
TOTAL	**3,226,312**	**3,441,771**	**3,545,278**	**3,742,468**
Famine Relief and Insurance—				
32.—Famine Relief	...	...	3,864,706	2,242,922
33.—Protective Works, Railways	...	...	...	...
34.—Protective Works, Irrigation	...	...	...	...
35.—Reduction of Debt	...	...	...	...
TOTAL	...	...	**3,864,706**	**2,242,922**
Carried over	26,606,903	27,223,621	31,331,068	30,158,526

1871-72 to 1884-85.

1875-76.	1876-77.	1877-78.	1878-79.	1879-80.	1880-81.	1881-82.	1882-83.	Revised Estimate, 1883-84.	Budget Estimate, 1884-85.
£	£	£	£	£	£	£	£	£	£
4,443,774	4,512,722	4,672,450	4,575,069	4,590,482	3,669,195	4,024,116	3,997,469	3,807,600	3,686,800
386,581	394,721	358,752	383,997	385,824	414,025	533,984	470,663	442,100	475,400
4,830,355	**4,907,443**	**5,031,202**	**4,959,066**	**4,976,306**	**4,083,220**	**4,558,100**	**4,468,132**	**4,249,700**	**4,162,200**
302,696	251,061	230,521	250,529	254,645	346,240	272,370	316,606	374,400	220,400
903,524	878,983	867,122	1,032,118	1,142,645	1,215,013	1,194,440	1,195,087	1,256,200	1,240,100
2,950,885	2,898,647	2,943,057	2,960,010	2,937,185	2,983,679	3,003,792	3,042,491	3,242,500	3,340,700
2,218,565	2,841,647	2,661,266	1,698,730	2,067,492	2,028,757	2,057,335	2,282,816	1,863,500	2,352,900
508,661	488,987	546,173	404,743	340,687	363,537	486,209	449,030	478,900	521,700
106,436	96,266	102,673	115,452	114,324	107,465	110,623	123,398	110,700	129,700
87,226	91,409	99,350	87,839	92,038	95,404	96,886	94,431	92,800	98,600
52,735	52,130	65,762	64,431	47,866	46,435	53,226	53,455	53,100	53,000
187,695	202,174	207,611	200,417	201,280	198,927	195,110	154,982	138,200	142,000
10	919	692	37,617	29,886	21,237	13,074	12,853	13,600	13,800
419,811	458,099	439,938	454,934	465,056	465,976	557,645	567,318	685,000	727,200
136,449	141,458	149,676	160,800	165,208	173,351	179,401	184,501	170,800	176,500
7,874,693	**8,401,780**	**8,313,841**	**7,467,620**	**7,858,312**	**8,046,021**	**8,220,111**	**8,476,968**	**8,479,700**	**9,016,600**
903,634	919,749	964,098	1,033,470	1,145,554	1,175,505	1,147,935	1,194,010	1,225,900	1,247,500
493,160	473,127	480,895	525,921	451,143	497,834	536,201	625,279	711,800	822,200
107,626	130,601	132,083	103,991	109,549	92,618	87,526	89,280	82,700	88,700
1,504,420	**1,523,477**	**1,577,076**	**1,663,382**	**1,706,246**	**1,765,957**	**1,771,662**	**1,908,569**	**2,020,400**	**2,158,400**
1,438,879	1,500,220	1,503,936	1,502,910	1,498,720	1,537,080	1,494,356	1,563,882	1,586,300	1,576,500
3,102,167	3,173,745	3,208,572	3,336,077	3,320,485	3,249,745	3,232,741	3,255,071	3,261,700	3,379,100
2,473,340	2,517,708	2,487,615	2,423,627	2,497,755	2,526,663	2,553,861	2,642,892	2,760,600	2,793,900
579,731	650,974	496,822	505,106	488,785	509,912	623,398	490,200	646,700	517,600
1,020,870	1,005,889	1,009,092	984,661	967,633	999,158	1,078,490	1,145,970	1,182,500	1,237,200
162,122	163,837	158,039	155,200	156,012	158,638	162,136	161,477	160,200	167,400
671,068	669,061	691,360	671,318	670,220	667,559	683,185	692,872	713,000	730,500
430,443	505,318	469,072	448,793	430,571	531,183	649,346	513,791	535,700	575,500
398,032	352,620	367,744	356,692	358,260	401,179	560,991	481,816	460,300	448,400
10,276,652	**10,539,372**	**10,392,252**	**10,384,384**	**10,388,441**	**10,581,117**	**11,038,504**	**10,947,971**	**11,307,000**	**11,426,100**
810,200	793,560	778,971	794,366	691,365	683,760	682,328	685,761	745,500	706,600
229,776	236,949	238,443	232,483	218,151	225,587	222,642	211,908	217,700	220,900
1,990,028	1,847,851	1,929,108	2,040,167	2,235,693	2,190,838	2,182,327	2,203,771	2,172,200	2,205,900
462,527	447,641	431,224	456,437	412,069	480,606	565,884	507,573	504,600	539,800
646,457	426,058	379,379	333,601	388,593	347,092	391,351	281,394	320,200	300,600
4,138,988	**3,752,059**	**3,757,125**	**3,857,054**	**3,945,871**	**3,927,883**	**4,044,532**	**3,890,407**	**3,960,200**	**3,973,800**
601,966	2,145,431	5,345,985	313,420	103,990	34,469	34,849	22,103	10,000	...
...	...	...	...	...	...	614,551	—129,101	625,900	1,138,600
...	...	...	...	...	..	135,449	263,443	291,000	310,100
...	...	...	...	...	...	715,151	1,343,555	573,100	301,300
601,966	**2,145,431**	**5,345,985**	**313,420**	**103,990**	**34,469**	**1,500,000**	**1,500,000**	**1,500,000**	**1,750,000**
29,227,074	31,269,562	34,417,481	28,644,926	28,979,166	28,438,667	31,132,909	31,192,047	31,517,000	32,487,100

Details of Expenditure,

	1871-72.	1872-73.	1873-74.	1874-75.
	£	£	£	£
Brought forward .	26,606,903	27,223,621	31,331,068	30,158,526
Expenditure on Productive Public Works (Revenue Account)—				
36.—State Railways (Working Expenses) . .	7,829	11,171	46,388	86,004
East Indian Railway (Working Expenses) (*a*) .	...	...	...	...
37.—Guaranteed Railways (Surplus Profits, Land and Supervision) (*b*)	66,163	163,988	152,438	65,866
East Indian Railway (Surplus Profits, &c.) .	54,628	75,347	83,876	381,459
38.—Irrigation and Navigation (Working Expenses)	234,990	255,124	265,938	289,879
Madras Irrigation and Canal Company (Land and Supervision)	1,218	964	715	529
39.—Charges in respect of Capital—				
a.—Interest on Debt:				
State Railways . . .	60,621	101,787	177,152	284,527
East Indian Railway . .	...	...	...	...
Irrigation and Navigation .	156,233	191,329	230,721	279,403
Miscellaneous Public Improvements .	...	...	...	...
b.—Annuities in purchase of Guaranteed Railways (including Sinking Funds) .	...	...	...	...
c.—Guaranteed Railways (Interest) . .	3,072,230	3,105,479	3,116,837	3,148,336
East Indian Railway (Interest) . .	1,469,952	1,502,939	1,501,085	1,495,565
Madras Irrigation and Canal Company (Interest)	49,984	49,983	49,984	49,983
TOTAL .	5,173,848	5,458,111	5,625,134	6,081,551
Expenditure on Public Works not classed as Productive—				
40.—State Railways (Capital Account) . . .	2,816	10,833	32,766	105,193
41.—State Railways (Working and Maintenance) .	...	...	...	...
42.—Subsidized Railways	...	...	...	...
Southern Mahratta Railway	...	...	...	...
43.—Frontier Railways	...	...	...	...
44.—Irrigation and Navigation	448,415	651,749	595,296	663,034
45.—Military Works	978,421	1,166,558	1,122,960	1,185,926
46.—Civil Buildings, Roads, and Services . .	3,402,719	3,346,875	3,870,310	3,497,766
TOTAL .	4,832,371	5,176,015	5,621,332	5,451,919
Army Services—				
47.—Army	15,678,112	15,503,612	15,228,429	15,375,159
48.—Military Operations in Afghanistan . .	...	...	...	...
Military Operations in Egypt . .	...	...	...	...
TOTAL .	15,678,112	15,503,612	15,228,429	15,375,159
49.—Exchange on Transactions with London—	428,920	691,287	879,411	785,820
TOTAL EXPENDITURE £	52,720,154	54,052,646	58,685,374	57,852,975
Expenditure on Productive Public Works (Capital Account)—				
50.—State Railways	644,620	1,413,649	2,354,625	3,014,180
East Indian Railway	...	...	...	...
51.—Irrigation and Navigation	983,854	770,920	1,198,682	1,235,391
Madras Irrigation & Canal Co.'s undertakings	...	...	...	...
52.—Miscellaneous Public Improvements . .	...	...	...	...
TOTAL .	1,628,474	2,184,569	3,553,307	4,249,571

(*a*) The East Indian Railway became a State Railway on 1st January 1880.

(*b*) The East Indian Railway portion of "Land and

FORT WILLIAM,
DEPT. OF FINANCE AND COMMERCE;
The 14th March 1884.

E. W. KELLNER,
Deputy Comptroller General.

1871-72 to 1884-85—continued.

1875-76.	1876-77.	1877-78.	1878-79.	1879-80.	1880-81.	1881-82.	1882-83.	Revised Estimate, 1883-84.	Budget Estimate, 1884-85.
£	£	£	£	£	£	£	£	£	£
29,227,074	31,269,562	34,417,481	28,644,926	28,979,166	28,438,667	31,132,909	31,192,047	31,517,000	32,487,100
195,414	287,989	426,005	740,373	1,215,231	1,607,528	1,686,392	1,534,176	1,691,000	2,032,700
...	...	...	...	228,538	1,605,362	1,646,959	2,069,398	2,045,500	2,052,500
162,763	124,723	271,566	315,908	143,559	149,802	406,983	558,772	641,500	530,000
128,862	198,269	527,829	579,505	567,664	266,056	1,093	...	...	...
350,758	363,356	370,847	381,550	414,601	425,473	455,635	501,936	519,000	562,100
520	500	352	585	472	555	513	75	...	...
408,116	528,737	665,754	913,512	1,048,700	1,204,660	1,160,445	1,226,702	1,321,000	1,459,200
...	...	...	...	34,397	397,244	434,242	486,663	502,800	531,100
326,218	367,196	402,186	488,476	519,830	762,770	726,386	784,188	845,700	879,800
...	...	...	5,836	13,584	17,071	17,952	20,327	...	...
...	...	...	...	...	(c) 993,298	(c) 1,239,446	1,216,735	1,203,300	1,255,100
3,162,779	3,170,639	3,169,862	3,210,057	3,250,132	3,261,951	3,271,771	3,317,872	3,289,900	3,240,300
1,475,112	1,488,042	1,485,423	1,495,134	1,466,208	...	...	...	...	...
49,984	49,983	49,983	49,983	49,983	49,983	49,983	24,903	...	...
6,260,526	**6,579,434**	**7,369,807**	**8,180,919**	**8,952,899**	**10,741,753**	**11,097,800**	**11,741,747**	**12,059,700**	**12,542,800**
66,279	27,287	71,394	220,850	471,410	77,003	247,673	467,776	—374,600	166,700
...	...	...	...	...	...	...	150,122	170,900	176,700
...	...	...	...	...	...	17,527	39,663	100,300	88,400
...	...	...	...	...	...	...	32,950	86,000	89,500
...	...	...	...	1,334,350	2,293,615	224,682	259,500	—22,500	—73,000
775,795	615,152	757,759	630,919	668,907	709,103	789,933	901,115	797,000	752,400
1,337,738	1,202,322	1,153,929	1,190,528	966,297	969,168	1,070,546	964,307	1,036,500	923,000
3,345,757	3,347,528	3,083,883	3,129,204	2,930,202	3,348,554	4,043,170	4,350,314	5,047,800	3,965,300
5,525,569	**5,192,289**	**5,066,965**	**5,171,501**	**6,371,166**	**7,397,443**	**6,393,531**	**7,165,747**	**6,841,400**	**6,089,000**
15,308,460	15,792,112	16,639,761	17,092,488	16,896,239	16,718,006	17,216,215	16,138,428	17,076,400	16,098,600
...	...	...	...	4,816,623	11,368,489	1,644,927	17,869	...	...
...	...	...	...	...	...	...	1,283,953	50,200	...
15,308,460	**15,792,112**	**16,639,761**	**17,092,488**	**21,712,862**	**28,086,495**	**18,861,142**	**17,440,250**	**17,126,600**	**16,098,600**
1,355,861	**2,059,311**	**1,554,922**	**3,225,831**	**2,926,403**	**2,716,809**	**3,556,700**	**3,081,433**	**3,860,000**	**3,538,100**
57,677,490	**60,892,708**	**65,048,936**	**62,315,665**	**68,942,496**	**77,381,167**	**71,042,082**	**70,621,224**	**71,404,700**	**70,755,600**
3,165,184	2,865,861	3,984,968	3,327,888	2,680,493	2,553,620	1,635,151	1,647,252	3,069,800	3,275,600
...	...	...	...	9,730,862	418,435	1,041,562	628,530	742,000	540,000
1,105,445	943,423	806,084	794,654	598,837	614,450	565,804	561,726	740,300	948,800
...	...	...	...	...	...	...	1,762,582	12,800	...
...	...	...	259,356	85,000	70,000	68,906	49,808	—533,100	...
4,270,629	**3,809,284**	**4,791,052**	**4,381,898**	**13,095,192**	**3,656,505**	**3,311,423**	**4,649,898**	**4,031,800**	**4,764,400**

Control" was not stated separately till 1877-78; and before that year is placed against "Guaranteed Railways." (c) East Indian Railway.

J. WESTLAND,
Comptroller General.

D. BARBOUR,
Secretary to the Government of India.

Details of Expenditure,

APPENDIX IV (*See paragraph 30 of the Financial Statement*).

Imports of merchandise (including Government stores).		Exports (including re-exports) of merchandise.	
Year.	Rs.	Year.	Rs.
1873-74	33,81,98,282	1873-74	54,99,60,100
1874-75	36,22,21,130	1874-75	56,35,92,404
1875-76	38,89,16,552	1875-76	58,09,14,946
1876-77	37,44,06,308	1876-77	61,01,38,912
1877-78	41,46,41,851	1877-78	65,22,23,282
1878-89	37,80,05,942	1878-79	60,93,75,131
1879-80	41,16,60,032	1879-80	67,21,23,627
1880-81	53,11,67,704	1880-81	74,58,06,020
1881-82	49,11,33,739	1881-82	81,96,84,507
1882-83	52,09,57,106	1882-83	83,48,51,227
1883-84 (10 months) ...	46,39,96,890	1883-84 (10 months) ...	71,76,09,110

Gold.

For 10 years ending 1882-83.

	Imports.	Exports.	Net imports.	
	Rs.	Rs.	Rs.	
1873-74	1,64,88,073	26,61,695	1,38,26,378	
1874-75	2,08,92,363	21,57,009	1,87,35,354	
1875-76	1,83,63,811	29,12,496	1,54,51,315	
1876-77	1,44,37,115	1,23,63,617	20,73,498	
1877-78	1,57,89,273	1,11,07,983	46,81,290	
1878-79	1,46,30,495	2,35,92,228	89,61,733	Net exports.
1879-80	2,05,03,929	29,98,893	1,75,05,036	
1880-81	3,67,20,576	1,68,586	3,65,51,990	
1881-82	4,85,63,920	1,24,078	4,84,39,842	
1882-83	5,09,51,354	16,42,639	4,93,08,715	
1883-84 (10 months) ...	4,82,22,555	58,267	4,81,64,288	

Silver.

For 10 years ending 1882-83.

	Imports.	Exports.	Net imports.	
	Rs.	Rs.	Rs.	
1873-74	4,14,37,263	1,64,79,016	2,49,58,247	
1874-75	6,05,18,103	1,40,96,082	4,64,22,021	
1875-76	3,46,43,413	1,90,89,867	1,55,53,546	
1876-77	9,99,24,082	2,79,35,361	7,19,88,721	
1877-78	15,77,65,323	1,10,01,973	14,67,63,350	
1878-79	5,59,36,991	1,62,30,055	3,97,06,936	
1879-80	9,60,50,019	1,73,52,586	7,86,97,433	
1880-81	5,31,61,563	1,42,35,822	3,89,25,741	
1881-82	6,46,63,889	1,08,73,390	5,37,90,499	
1882-83	8,35,80,218	87,77,949	7,48,02,269	
1883-84 (10 months) ...	5,12,07,878	87,50,544	4,24,57,334	

1871-72 to 1884-85—continued.

Statement of the coinage of silver at the Mints of Calcutta and Bombay for each year from 1873-74 to 1882-83 and for ten months of the year 1883-84.

Year.	Calcutta Mint.	Bombay Mint.
	Rs.	Rs.
1873-74	79,09,100	1,57,90,970
1874-75	1,77,14,620	3,12,54,220
1875-76	81,83,460	1,73,18,720
1876-77	2,07,92,850	4,19,18,370
1877-78	5,15,18,210	11,02,85,050
1878-79	2,32,44,950	4,88,62,750
1879-80	2,13,54,170	8,12,15,510
1880-81	1,05,09,820	3,19,86,930
1881-82	84,77,510	1,33,85,230
1882-83	1,42,99,070	5,07,85,500
1883-84 (10 months)	88,40,669	1,87,83,047

GOVERNMENT OF INDIA.

DEPARTMENT OF FINANCE AND COMMERCE.

FINANCIAL STATEMENT

FOR

1885-86.

CALCUTTA:
PRINTED BY THE SUPERINTENDENT OF GOVERNMENT PRINTING, INDIA.
1885.

FINANCIAL STATEMENT for 1885-86.

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FINANCIAL STATEMENT for 1885-86.

Preliminary.

Preliminary.

1. The Financial Statement for the ensuing year will present but little of special attraction so far as any new development of our fiscal system is concerned. But on the other hand, to those who have followed with attention the course of Indian finance during the last few years, the year 1885-86 will prove of much interest. As being the fourth year in which a Budget has been framed on the basis of the anticipations embodied in the reforms which culminated in 1882-83, it enables us, when viewed with the three years preceding it, to judge what, in the presence of considerable difficulties and apart from extraordinary emergencies, the outcome of the measures taken in 1882-83 may, on the whole, be said to have been. In a later part of this Statement I shall have occasion to go at greater length into this subject; but this much may be said in these preliminary remarks, that, in my judgment, we now may assume that, very exceptional circumstances apart, the expectations of my predecessors, who believed that the normal and healthy increase of revenues would be found to balance the ordinary expenditure, and in that confidence abolished the import duties and lowered the salt tax, have been fulfilled. In the course of this Statement we shall find that the three years 1882-83, 1883-84, 1884-85 have between them, if we take in the case of the two former years the Accounts, and, in the latter year, the Revised Estimates, given us a surplus of revenue over expenditure of about £1,378,000; that although in any one year its surplus may be abnormally large, or in the succeeding year there may be even some apparent deficit, these are variations largely attributable to irregularities of Land Revenue collection incidental to our fiscal administration, which in no way necessarily indicate uncertainty or irregularity in our sources of receipt, when viewed as a whole; that we can sustain such severe losses as a partial failure of the opium crop, a temporary stagnation of the railway traffic, arising from dullness in our wheat trade, or a serious falling off in our Customs duties, or that we can provide for unforeseen expenditure, such as payments necessitated on an excessive opium crop may produce, but that these losses or requirements leave us, as they found us, with our resources unimpaired, and without any causes of anxiety as to our capability in the future of meeting similar emergent demands. This much will be seen on the brighter side of the subject. On the other, however, attention will be drawn to the consequences of depression in trade, and of a further depreciation in the value of silver. It will be noted that for the first time in our financial history we have been compelled to adopt a rate of exchange no higher than 1*s.* 7*d.*, and if we have not had to add to our estimates the corresponding sum of £440,000 as a gross increase to our loss by exchange, it is only because there will be, for reasons to be presently explained, a very considerable decrease this year in the Secretary of State's Bills, which enables us to shew in 1885-86 an apparent economy under the head of exchange; an economy, however, which must not be taken as indicating any real corresponding improvement. As far as the future is concerned, little or no ground will be found to exist for allaying our apprehensions: and this at a time when we have embarked upon extensive and costly measures for the improvement and development of our communications, and when the course of events beyond our frontiers is raising questions which seem likely

Sufficiency of revenues provided by the reforms of 1882-83 and preceding years; effect of recent circumstances on those reforms.

to disturb, more or less seriously, the calculations of those who are charged with the financial administration of this country. While, therefore, it will probably be conceded that the measures of reform which I have alluded to have been fully justified by the experience acquired since their introduction, it will possibly be questioned whether the *status* which they established will prove sufficient in view of the further trials which seem to be awaiting us, and of the necessities of our situation, whether connected with the state of our currency, or with the measures necessary for the development and protection of the country. The experience which we shall gain during the ensuing year as to the effect upon our estimates of the several considerations I have indicated will, probably, be invaluable in adding to the means at our disposal for forming a final opinion upon this point; a point which obviously depends, not in the least on the adequacy or otherwise of the financial resources provided us in their relation to the state of affairs which existed at the commencement of the decade, but on the consideration whether affairs are not passing into a new phase which was then, though not unforeseen, less imminent; which could not therefore be taken into immediate consideration; but which, should it now arrive, must be met on the lines of the policy then adopted, and in conformity with the principles by which it was inspired. I hope, in the course of this Statement, so to handle the material before me as to illustrate and to demonstrate the appositeness of the preceding remarks, and to make clear to any one who reads it with moderate attention, what our resources during the three years which it treats of have been, or are likely to be; how far they are capable of meeting the calls which in ordinary course experience shews we must expect; and whether, in view of the further obligations we have undertaken, or which the fall in silver or other circumstances are forcing upon us, our resources may be expected to prove as sufficient in the years immediately ensuing, as in the three years which it will be the business of this Statement to review.

The Accounts of 1883-84.

	£
Revenue	71,727,421
Expenditure	70,339,925
Surplus	1,387,496

2. The appropriation audit report, published in the *Gazette of India* of 14th March 1885, gives in great detail the explanations necessary to arrive at a full understanding of the surplus here exhibited; but as the surplus of the Budget Estimate for that year was taken at £457,000 and that of the Revised Estimate at £271,400 only, it is desirable to add a few remarks explanatory of the great difference between the actual surplus and the several forecasts above enumerated. There was an increase of £1,595,300 under the principal heads of revenue, of which the main item was Land Revenue, about £569,200. This sum was collected in Burmah, Madras, and Bombay in 1883-84, greatly in advance even of the estimates of January and February 1884, at the end of the year, and in ordinary course would have fallen into 1884-85, (an incident, as will be presently seen, which, however favourable to the surplus of 1883-84, has mainly contributed to bring about a deficit in the Revised Estimates of 1884-85). The Opium revenue was £356,500 better than the estimate, and owing to the very short crop of the year, there was a decrease of £310,600 on Expenditure. Excise, Stamps, and Forest revenue, between them, were better by £439,000 than the estimates. Post Office, Telegraph, and Mint gave an improvement of £58,500 owing to short expenditure on capital account of telegraphs, and the absorp-

Large exhibited surplus partly due to collection of land revenue ordinarily falling due in 1885-86; partly to method of accounting for certain sums connected with the Sindh, Panjab, and Delhi Railway.

tion of copper coin bringing a large gain to the Treasury. Under Miscellaneous an arrear of £130,000 was paid on account of interest from the Bombay Port Trust. Productive Public Works shewed a better revenue account by £687,400, due to the prosperous trade of the year, which, however favourable circumstances may have been, it would have been obviously imprudent fully to take credit for in the estimates. Under Public Works not classed as Productive there was a gain of £362,500, arising from the transfer of certain Provincial Railways in Bengal and in the North-Western Provinces from Ordinary to Productive, and the per contra transfer of Madras Harbour Works from Productive to Ordinary. The sum of £325,000, which in the Revised Estimates, as explained in my Budget Statement for last year, was written off against revenue by a credit to capital, being the loss in past years on the Indus Flotilla of the Sindh, Punjab, and Delhi Railway, and which balanced the gain above mentioned, has been since removed from the Revenue Account under instructions from the Secretary of State, thereby relieving the estimates of 1883-84 of that charge. Under Military Estimates there was a saving of £178,600; but, as a million sterling was paid to the English War Office on account of arrears of non-effective charges, the real saving was converted into an excess charge of £821,400, while the exchange rose to £290,700 above the estimates, as the Secretary of State took the occasion of a favourable market to increase the number of bills drawn by him. These explanations cover, generally, the increase of the surplus shewn in the Accounts over that exhibited in the Budget and the Revised Estimates. The difference between the Budget Estimate and the Accounts requires perhaps less explanation; but if it is asked why the Revised Estimates, made at a date comparatively late, and but shortly before the close of the year, were so wide of the mark, the answer is to be found in the accelerated payment of £569,200 Land Revenue above mentioned, and in the orders of the Secretary of State under which, after the close of 1884-85, £325,000 on account of the Indus Flotilla were removed from the debit to Revenue.

Revised Estimates, 1884-85.

3. The Budget and Revised Estimates for 1884-85 are as follows :—

Budget Estimates.

	£
Total Revenue	70,560,400
Total Expenditure	70,241,100
Surplus	319,300

Revised Estimates.

	£
Total Revenue	69,991,200
Total Expenditure	70,707,400
Deficit	716,200

Budget and Revised Estimates, 1884-85:

4. The past year, so far as can be seen on the Revised Estimates and until its accounts are finally closed, has presented us, not with the surplus of £319,300, but with a deficit of £716,200. *Deficit of.*

5. It has been already mentioned that the unexpected payment in March 1884 of Land Revenue amounting to £569,200 swelled the surplus of 1883-84 to the prejudice of the ensuing year, and that the calculations on which the estimates of 1884-85 were framed have been thrown out to this extent; an extent, approximating to the deficit on the Revised Estimates of that year. *Effect of inclusion in 1883-84 of sums ordinarily payable in 1884-85.*

Before the year closes considerable further expenditure will have to be incurred on account of the proposed Camp to be formed at Rawal Pindi for the reception of the Amir of Kabul; and we have provided for this in our Revised Estimates.

Exceptional difficulties in 1884-85.

6. Apart from this, however, to those who have watched the course of trade during the past year, it will be matter of little surprise that the small surplus of the Budget was not realised. There have been several causes contributant towards this result. They may be grouped under the two main heads of "Trade" and "Revenue and Expenditure." Under the first fall the exports of wheat, and consequently the railway earnings; and the exports of rice, and consequently the Customs duties. Under the latter fall Land Revenue and Opium. The combination of a good harvest in England, and of large stocks in America, depressed the price of wheat during the later part of the year 1884; and early in the second half of the calender year it became obvious that the export trade in wheat, which during the last two years had been continually increasing, must suffer a temporary re-action. The rice trade had begun to shew signs of depression since the commencement of 1884, and never recovered itself during the financial year. I have given, in a later part of this Statement, figures indicating the comparative fall in prices and in the export of wheat and rice, but at present I confine myself to dealing with the financial results which have been brought about by these causes. They may be briefly summed up as follows in a comparative form:—

I.—CUSTOMS.

	£
Budget Estimate	1,289,500
Revised Estimate	1,030,000
Less	259,500

II.—PRODUCTIVE RAILWAYS.

Financial effects of the loss in Customs and Railway Revenues.

	Budget Estimate, 1884-85.	Revised Estimate, 1884-85.	Budget Estimate, 1885-86.
State Railways.	£	£	£
Net Revenue	1,454,200	1,383,300	1,571,200
Interest	1,425,500	1,409,400	1,515,300
Net Gain	28,700	—26,100	55,900
East Indian Railway.			
Net Revenue less Surplus Profits	2,797,700	2,378,900	2,723,700
Interest and Annuity	1,718,100	1,716,800	1,729,200
Net Gain	1,079,600	662,100	994,500
Eastern Bengal Railway.			
Net Revenue	230,000	260,000	317,500
Interest and Annuity	101,800	99,700	234,300
Net Gain	128,200	160,300	83,200
Guaranteed Railways.			
Net Revenue	3,613,000	3,374,000	3,360,000
Interest and Profits	3,770,260	3,717,500	3,725,400
Net Loss	157,260	343,500	365,400
Net Gain to State	1,079,240	452,800	768,200

7. We have here a total decrease in the Revised, as compared with the Budget Estimate, of £885,940. This loss is wholly derived from the depression

in trade, which could not be foreseen at the time of the Budget. The East Indian Railway gross earnings were £580,000 short of the Budget; those of the Rajputana-Malwa State Railway, £47,500; of the guaranteed lines the Oudh and Rohilkhand Railway Revised Estimate of net receipts is £175,000, against a Budget Estimate of £250,000; the Sindh, Punjab, and Delhi gives £390,000 Revised Estimate, against an estimate on the Budget of £480,000. To the direct losses on the State Railways must be added a temporary decrease in Land Revenue in Madras and in Bombay, brought about by suspension of revenue in certain districts of those Provinces, owing to partial failure of the rains in 1884. These sums are severally estimated at £271,600 for Madras, and £72,300 for Bombay. Credit has been taken for them in 1885-86; but as, on the one hand, the year 1884-85 was mulcted of about £569,200, by which, as above explained, the year antecedent benefited, so, on the other, it has been obliged to resign to the succeeding year, 1885-86, the above amount of £343,900, which ordinarily would have been collected within its term, and placed to the credit of its receipts. Finally, we were called upon to meet the largest expenditure on account of payment for opium which has ever, so far as I know, been incurred in India. The outturn of the crop was large beyond all experience, and we found ourselves compelled to add, in the course of the year, no less than £593,600 to our Budget Estimate on this account. Although, eventually, by the great increase to our opium reserves, which threatened in the commencement of 1884-85 to fall abnormally low, we shall benefit by this extraordinary stock, the benefit will be for future years; the burden is thrown on 1884-85. Adding together the several losses under the several heads above enumerated of Customs, Railways, Land Revenue, and opium, we have a total of £1,823,440. To this, again, must be added the sum of £118,500 which we contributed from revenue towards capital expenditure on account of the construction of the Sindh-Pishin-Sibi Railway. I shall have more to say presently regarding the assignment of grants from revenue for capital expenditure on railways; but I draw attention to this grant here, because the active resumption of work on that Railway had not been proposed, and could not be foreseen at the time the estimates of 1884-85 were framed. If it is permissible in any way to congratulate oneself over the figures of a deficit, we have ground for satisfaction that in spite of these abnormal losses and charges the constant and steady increase in other branches of our revenue has enabled us to compensate in large measure for the disagreeable results which awaited us on the estimates made under the several heads I have specified. Taking, moreover, the years 1883-84 and 1884-85 together, we find, as explained in my 2nd paragraph, that, whatever the one year may have gained at the expense of the other, the revenues proper to either, looked at as a whole, suffice to meet the expenditure. The results of the financial administration have continued, in effect, to justify the conclusions indicated in the opening sentences of my Financial Statement for 1884-85. I have to return to this matter; but enough has been stated already, I think, to make it obvious that, unforeseen difficulties notwithstanding, the normal receipts have been equal to the normal expenditure. Presently, when I take up in detail the results under the minor heads of the estimates, it will be seen where normal growth of revenue has assisted us in meeting abnormal losses, and I reserve any further remarks I have to make on the subject, until I come to deal with those figures. It need only be added here, in general terms, that, on the whole, the season having been a good one, the increase in our Salt, Stamp, and Excise revenues has continued to give the results anticipated; State Railways have done well; there have been considerable economies under "Army" and other heads. On the other hand, it should not escape notice that exchange, which we had taken at £3,538,100, is shewn in the Revised Estimates at £3,253,900, or £285,200 less than

Further effects of suspensions of Land Revenue, and abnormal Opium expenditure.

Compensating effects of increase of revenue under other heads.

Secretary of State's drawings exceptionally small in 1884-85.

the estimated figure. The Secretary of State was enabled to supplement his bills by drawing on resources at his disposal in England. In judging not merely of the budgetary surplus or deficit of any particular year, but of the aspect, in a larger view, of our financial condition during the past year, of the claims which we have to meet, and of the resources which are at our disposal, this fact must be borne in mind; especially at a time when, as we shall presently see, the exchange is assuming proportions which threaten to interfere seriously with the arrangements by which we had secured our equilibrium.

Course of trade during 1884-85.

8. Passing from the financial effect of the depression in the wheat and rice trade, and the excessive expenditure in opium, I think it is desirable to gather together here the main figures which illustrate the course of trade during the year, and its present prospects, as well as those indicating the large increase in our opium stores and the cost at which it has been acquired.

9. With the growth of its railway enterprise the Government of India is becoming more and more deeply interested in the progress of Indian trade, and it is not without good reason that the departments of Commerce and of Finance have been linked together in Indian administration. So large a proportion of our revenue is derived from railways, and if the estimates and forecasts which have been framed for the future should be verified, so large an increase from the same source may in the course of time be looked for, while, on the other hand, our obligations in regard to the cost of construction are assuming such grave proportions, that the direct interest of this Government in the development of its export trade, from the point of view of the resources which it derives immediately therefrom, is, to say the least of it, no less than that which it has in the other main branches of its revenue. For this, if for no other reason, some analysis of the returns of trade during the preceding year seems necessarily to form part of a Financial Statement, indicating as they do not only the causes which may have led to any increase or falling off in the estimates of that year, but assisting us in forming a forecast as to what are the probabilities of the year about to ensue. I have given above a résumé of the financial effect produced by the stagnation in trade under which we are now suffering; and the figures which I am about to tabulate, and for which I am indebted to Mr. O'Conor, the Assistant Secretary in the Department of Commerce, whose excellent reports on Indian trade place annually before the public in the clearest form all possible information on the subject, will show how those effects have been brought about; and, I am afraid, will yield for the moment but little ground for hoping that we may expect any speedy return of the period of prosperity with which we were favoured in the years 1882 and 1883, and more especially in the latter year. The annexed table shows for the years 1882-83, 1883-84, and ten months of 1884-85 the quantity and value of exports of some of the principal articles of Indian merchandise.

Growing importance to India, from a financial point of view, of its trade viewed in connection with its railway receipts. Some analysis of its trade returns necessarily forms part of this Financial Statement.

Comparative annual tables of exports, 1882-83, 1883-84, ten months, 1884-85.

Exports of certain Indian Products by sea to other countries for the years 1882-83 and 1883-84 and for the ten months (April to January) of 1884-85.

Articles.		1882-83.		1883-84.		1884-85 (Ten months).	
		Quantity.	Value.	Quantity.	Value	Quantity.	Value.
			₹		₹		₹
Cotton, Raw	Cwt.	6,168,278	16,04,90,174	5,979,494	14,38,37,278	4,112,165	10,81,31,383
Tea	lbs.	57,766,225	3,69,94,965	59,911,703	4,08,38,805	58,361,667	3,69,98,351
Hides and Skins	Cwt.	866,164	4,44,37,703	915,450	4,66,37,363	774,187	3,82,73,292
Jute, Raw	,,	10,348,909	5,84,69,259	7,017,985	4,59,26,353	7,070,275	3,97,67,110
Jute, manufactured (gunny bags)	No.	60,737,651	1,43,15,841	63,645,984	1,25,62,589	77,475,612	1,31,89,225
Seeds	Cwt.	13,139,206	7,20,03,365	17,355,588	10,08,37,583	15,196,009	8,88,32,424
Rice	,,	31,258,288	8,47,63,272	27,039,859	8,36,20,798	12,883,218	4,48,60,144
Wheat	,,	14,144,407	6,06,89,341	20,956,495	8,87,75,610	13,100,578	5,27,24,349
Sugar	,,	1,318,698	80,87,759	1,630,520	94,32,185	1,051,236	53,14,120

10. A second table shows, for these articles, a comparative quarterly return for so much of the same years as admits of quarterly comparison.

Exports of certain Indian Products by sea to other countries for the first three quarters of 1882-83, 1883-84, 1884-85.

Comparative quarterly returns for the first three quarters of the above years.

Articles.	Official years.	Quantity. 1st quarter.	2nd quarter.	3rd quarter.	Total of the three quarters.	Value in Rupees. 1st quarter.	2nd quarter.	3rd quarter.	Total of the three quarters.
Cotton, raw . Cwt.	1882-83	2,806,584	742,869	612,351	4,161,804	7,60,41,663	1,91,19,427	1,52,57,506	11,04,18,596
	1883-84	2,581,983	589,431	833,898	4,005,312	6,37,09,292	1,33,37,965	1,92,73,030	9,63,20,287
	1884-85	2,734,509	602,245	481,305	3,818,059	7,42,05,478	1,48,51,589	1,18,41,493	10,08,98,560
Tea . . . lbs.	1882-83	2,688,307	21,199,570	21,962,774	45,850,651	17,83,207	1,39,34,783	1,38,58,176	2,95,76,166
	1883-84	3,378,351	22,798,175	22,829,819	49,006,345	22,86,272	1,58,91,247	1,52,45,285	3,34,22,804
	1884-85	2,647,498	23,964,781	26,019,701	52,631,980	16,87,561	1,56,43,340	1,61,44,825	3,34,75,726
Hides and skins Cwt.	1882-83	200,900	199,486	212,027	612,413	1,01,66,096	1,01,04,155	1,08,85,657	3,11,55,908
	1883-84	249,727	187,618	191,036	628,381	1,23,84,266	1,03,99,213	99,03,309	3,26,86,788
	1884-85	225,751	202,922	231,763	660,436	1,10,04,699	1,06,73,211	1,13,36,346	3,30,14,256
Jute, raw . ,,	1882-83	1,048,884	1,678,649	4,167,676	6,895,209	59,69,645	99,01,146	2,35,88,059	3,94,58,850
	1883-84	1,642,411	860,630	2,589,591	5,092,632	89,45,794	47,98,724	1,81,12,547	3,18,57,065
	1884-85	637,797	1,031,415	4,638,248	6,307,460	42,99,126	58,59,194	2,52,87,318	3,54,45,638
,, manufactured (gunny bags) . No.	1882-83	12,283,744	13,217,704	15,253,697	40,755,145	28,41,434	35,95,355	38,73,711	1,03,10,500
	1883-84	13,061,938	10,187,474	22,614,313	45,863,725	24,52,553	25,13,939	39,63,053	89,29,545
	1884-85	17,288,363	19,181,128	25,530,756	62,000,247	31,66,313	37,92,344	42,29,309	1,11,87,966
Seeds . . Cwt.	1882-83	3,873,291	3,280,348	3,258,663	10,412,302	2,08,32,706	1,73,66,706	1,79,96,380	5,61,95,792
	1883-84	6,325,951	4,556,066	2,812,783	13,694,800	3,61,63,096	2,57,50,678	1,64,89,741	7,84,03,515
	1884-85	6,535,685	4,232,682	3,249,654	14,018,021	3,73,30,796	2,41,31,007	1,97,62,893	8,12,24,696
Rice . . ,,	1882-83	9,344,285	4,827,982	3,472,567	17,644,834	2,40,05,294	1,33,31,194	1,01,63,458	4,74,99,946
	1883-84	8,549,537	3,713,440	3,158,232	15,421,209	2,45,28,242	1,16,90,349	99,18,329	4,61,36,920
	1884-85	6,192,477	2,823,250	2,381,224	11,396,951	2,02,34,932	1,01,76,409	88,46,075	3,92,57,416
Wheat . . ,,	1882-83	4,263,170	2,651,270	3,922,265	10,836,705	1,84,65,361	1,13,89,086	1,68,61,418	4,67,15,865
	1883-84	7,682,417	7,952,414	3,285,953	18,920,784	3,23,59,202	3,33,76,020	1,40,77,661	7,98,12,883
	1884-85	3,912,386	5,000,052	3,052,998	11,965,436	1,57,69,368	2,03,95,026	1,23,09,457	4,84,73,851
Sugar . . ,,	1882-83	724,480	300,952	100,082	1,125,514	46,59,513	17,62,702	6,83,816	71,06,031
	1883-84	1,092,246	335,392	117,641	1,543,279	61,43,516	20,07,864	6,77,531	88,28,911
	1884-85	627,492	380,425	39,025	1,046,942	36,84,471	19,55,585	2,35,095	52,75,151

Decline of trade indicated in above tables.

11. It will be seen that while in tea, hides, skins, jute goods (bags), and seeds, there has been improvement, on the other hand, in most of our important exports, in raw cotton, rice, wheat, sugar, raw jute, the decrease has been steady and serious, and the decline has, in most cases, been coincident with the marked decline in prices in the English markets which commenced in the third quarter of 1884. Prices, indeed, for most of our large staples commenced to shew symptoms of decline from the beginning of 1882, but the decline was interrupted from time to time by temporary upward movements, which gave an immediate impetus to trade, and it is only since the middle of last year that the downward movement has been accelerated, and has continued without interruption to the present time. There seems some indication, however, that the decline in prices has reached its lowest limit. There are some grounds for hoping that for many of the articles enumerated in these tables prices will presently reach a level which may favour a more active resumption of trade. It will be seen that in the several quarters of which a comparative table is given, tea has risen in quantity and in value from 45,850,651lbs., of the value of ₹2,95,76,166, to 52,631,980lbs., of the value of ₹3,34,75,726; hides and skins

from 612,413 cwt. to 660,436 cwt., and from ₹3,11,55,908 to ₹3,30,14,256; raw jute has fallen from 6,895,209 cwt. to 6,307,460 cwt., and from ₹3,94,58,850 to ₹3,54,45,638; jute bags have risen from ₹1,03,10,500, through a year of great depression, to ₹1,11,87,966; seeds from 10,412,302 cwt. to 14,018,021 cwt., and from ₹5,61,95,792 to ₹8,12,24,696; while raw cotton has fallen from 4,161,804 cwt. to 3,818,059 cwt., and from ₹11,04,18,596 to ₹10,08,98,560; and rice has fallen from 17,644,834 cwt. to 11,396,951 cwt. and from ₹4,74,99,946 to ₹3,92,57,416; wheat has risen, though in contrast with the trade of 1883-84 the rise indicates anything but prosperity, from 10,836,705 cwt. to 11,965,436 cwt. and from ₹4,67,15,865 to ₹4,84,73,851; sugar, finally, has fallen from 1,125,514 cwt. to 1,046,942 cwt. and from ₹71,06,031 to ₹52,75,151.

Wheat, sugar, jute, indigo.

Since January there has been some revival in wheat; but supplies are still large, and so long as the prospects of further supplies are fair, it would be, to say the least, sanguine to hope that trade will resume its former activity. At the present price in Calcutta, R2-6-6 per maund, with a freight of 35*s.* a ton through the Canal, wheat can be landed in England at about 34*s.* per quarter, exchange being taken at 1*s.* 7*d.* London prices for Indian wheat are about 35*s.* per quarter. But as exports increase freight advances, and prices in England have a tendency to fall; so that although, in fact, a difference of a farthing in exchange makes a difference of a little over 1 per cent. in the prices laid down, these other elements have always to be taken into consideration. The fall in the price of sugar has been due to the enormous extension of the beet crops in Germany and in Austria, caused by the protective laws enforced in those countries; prices have been gradually declining for some considerable time, but the fall was very rapid after the middle of 1884. Exports from Bengal, which had been increasing largely, fell almost to nothing, and large consignments of cane sugar came to the Province from Java, while even some beet sugar was imported. The fact of imports of sugar into Bengal from Java, Austria, and the United Kingdom, illustrates the condition of our sugar market. Jute has reached the lowest price touched during the period for which the tables have been made out. With the diminution in the wheat and rice trade there is a diminished demand for local manufacture, and a larger surplus of jute to export. The great decline in price commenced in the middle of 1884 and has continued steadily down to the present. Jute goods have fallen in value with a diminished local demand for them and surplus stocks remaining over from the heavy outturn of the mills in 1883 have been exported in greatly increased quantities for speculative markets. The price of gunny bags is regulated by the general condition of trade, especially of the grain trade, and these will not give better values until other articles revive. The price of indigo depends mainly upon the quantity and quality of the crop in Bengal and the North-Western Provinces, and fluctuates from year to year with little reference to other considerations; hence indigo has been omitted from these tables.

From the subjoined table of prices will be gathered the great fall in present prices, as compared with 1882, in wheat. The rates of exchange and the freights ruling in the several months specified are added; and viewed in conjunction with the increasing stagnation of trade during that period, they throw some light on the contention of which a good deal has been lately heard that a fall in exchange, inasmuch as it stimulates trade, is in itself a source of increased revenue to the Government of India. It may be, no doubt, in favourable markets, but it certainly does not of itself suffice to sustain trade as against the competition of crowded markets, and in the presence of low prices. Comparing the exchange ruling in 1884 with that of 1883, when the trade was in its greatest activity, we find that for the first 8 months of the former year, when the

Comparative table of prices of wheat, rates of exchange on Secretary of State's Bills, and Canal freights from Calcutta.

decline in exports first made itself felt, exchange was decidedly more favourable. It is, to say the least, very questionable whether, other things remaining equal, for the £440,000 which the loss of ½*d.* in exchange will cost us, we shall derive at present any adequate return in the stimulus of increased exports, and the revival of more active railway traffic.

	Gazette average prices of wheat in London.	Rates of exchange on Secretary of State's Bills.	Freights from Calcutta (*viâ* Canal) for wheat per ton.
	Per Qr. *s.* *d.*	*s.* *d.*	£ *s.* *d.* to £ *s.* *d.*
1882.			
January	44 9	1 8·01	2 10 0 to 2 12 6
February	46 1	1 8·05	2 2 6 to 2 5 0
March	44 9	1 8·07	2 7 6 to 2 10 0
April	45 1	1 8·15	2 12 6 to 2 15 0
May	47 2	1 8·07	2 6 3 to 2 7 6
June	47 7	1 8·02	2 0 0 to 2 2 6
July	46 11	1 7·91	2 5 0 to 2 7 6
August	51 3	1 8·01	2 0 0 to 2 1 3
September	47 3	1 8·00	1 17 6 to 2 0 0
October	39 6	1 7·87	1 10 0 to 1 12 6
November	40 11	1 7·63	1 10 0 to 1 12 6
December	41 5	1 7·14	2 0 0 to 2 2 6
1883.			
January	40 11	1 7·26	2 5 0 to 2 7 6
February	40 4	1 7·43	2 7 6 to 2 10 0
March	41 9	1 7·57	2 8 9 to 2 12 6
April	42 0	1 7·45	2 7 6 to 2 10 0
May	42 10	1 7·38	1 17 6 to 2 0 0
June	43 5	1 7·42	1 15 0 to 1 17 6
July	42 3	1 7·44	1 13 9 to 1 15 0
August	43 3	1 7·48	1 17 6 to 2 0 0
September	43 2	1 7·56	1 10 0 to 1 12 6
October	40 2	1 7·61	1 11 3 to 1 12 6
November	40 3	1 7·48	1 10 0 to 1 11 3
December	40 0	1 7·51	1 5 0 to 1 6 3
1884.			
January	39 0	1 7·59	1 0 0 to 1 2 6
February	37 9	1 7·76	1 0 0 to 1 2 6
March	37 3	1 7·66	1 3 9 to 1 5 0
April	37 7	1 7·78	1 5 0 ...
May	37 4	1 7·85	1 6 3 to 1 7 6
June	37 0	1 7·66	1 7 6 ...
July	37 4	1 7·54	1 10 0 .
August	37 6	1 7·52	1 5 0 ...
September	34 3	1 7·50	1 0 0 to 1 2 6
October	32 4	1 7·40	0 17 6 to 1 0 0
November	32 0	1 7·12	0 17 6 to 1 0 0
December	30 10	1 7·04	1 10 0 ...
1885.			
January	31 5	1 7·08	1 10 0 to 1 12 6
Difference per cent. in each year as compared with January 1882—			
1883	—8·57		
1884	—12·85		
1885	—29·80		

12. The following table shews the imports of wheat and wheat-meal and flour into England for the last three calendar years :—

Quantity of Wheat and Wheat-meal and Flour imported into England from Foreign countries in the calendar years 1882, 1883, and 1884.

Comparative table of imports of wheat, wheat-meal, and flour into England during 1882, 1883, 1884.

	Wheat.			Wheat-meal and Flour.			Total.		
	Quantity.			Quantity.			Quantity.		
	1882.	1883.	1884.	1882.	1883.	1884.	1882.	1883.	1884.
	Cwt.	Cwt.	Cwt.	Cwt.	Cwt.	Cwt.	Cwt.	Cwt.	Cwt.
Russia	9,571,021	13,293,358	5,401,964	...	...	...	9,571,021	13,293,358	5,401,964
Germany	3,083,921	2,871,095	1,090,368	1,990,403	1,928,769	1,746,514	5,074,324	4,799,864	2,836,882
France	7,379	9,498	19,023	220,269	163,898	154,349	227,648	173,396	173,372
Austrian Territories	...	...	...	1,559,621	1,736,900	1,562,379	1,559,621	1,736,900	1,562,379
Turkey	526,439	1,128,074	503,926	...	...	...	526,439	1,128,074	503,926
Roumania	194,591	403,937	687	...	...	...	194,591	403,937	687
Egypt	174,862	1,174,391	999,578	...	...	...	174,862	1,174,391	999,578
United States :—									
On the Atlantic	20,347,239	14,259,195	14,321,320	7,777,262	11,270,918	10,340,567	42,836,885	37,336,750	32,946,697
On the Pacific	14,712,393	11,806,637	8,284,810						
Chili	1,656,361	2,310,126	1,055,964	...	...	...	1,656,361	2,310,126	1,055,964
British East Indies	8,477,479	11,243,497	8,009,909	...	...	...	8,477,479	11,243,497	8,009,909
Australasia	2,475,127	2,691,614	4,897,766	...	...	...	2,475,127	2,691,614	4,897,766
British North America	2,684,828	1,798,656	1,757,406	339,305	469,460	688,925	3,024,133	2,267,516	2,446,331
Other Countries	259,991	1,090,966	771,277	...	...	...	259,991	1,090,966	771,277
Ditto	...	...	...	1,141,845	723,584	610,784	1,141,845	723,584	610,784
Total	64,171,622	64,080,444	47,113,998	13,028,705	16,293,529	15,103,518	77,200,327	80,373,973	62,217,516

Great as the falling off has been, the Indian imports into England amounted to 12·8 per cent. of the whole quantity imported, against 10·9 per cent. in 1882 and 13·9 in 1883. Compared with the Russian trade of last year, the Indian imports contrast favourably.

13. The prospects of the rice trade continue to be doubtful; the stocks on hand in London were estimated (*Economist* of January 3, 1885) in the five years closing with 1884 as follows :—

Rice trade; stocks in hand.

	Tons.
December 1880	29,730
„ 1881	52,800
„ 1882	24,840
„ 1883	54,900
„ 1884	33,900

Prices of Rice in Europe; competition of Saigon; comparative figures of Saigon exports to Europe.

14. Prices have continuously fallen, and were very lately lower than at any former period, prices for Rangoon rice to arrive being quoted in London on February 7 :—

		s.	d.		s.	d.
1882	per cwt.	8	9	to	9	1½
1883	„	7	9	to	8	3
1884	„	7	3	to	7	9
1885	„	7	3	to	7	4½

The effect on rice of the excessively low price of maize, potatoes, and sugar, has been aggravated by the relations at present existing between the Governments of France and of China. Saigon rice, instead of looking for its

market in China, is now diverted to Europe, and the following table shews the increase of exports of Saigon rice to Europe during the last two years. The figures are taken from returns furnished by Her Majesty's Consul at Saigon :—

	1882-83.	1883-84.	1884-85.
	cwt.	cwt.	cwt.
1st Quarter	2,628,900	3,299,100	3,414,520
2nd „	1,405,560	2,095,600	2,579,280
3rd „	1,965,740	(Not received)	837,140
4th „	2,832,760	3,344,400	...

Competition of Siam and Japan. Prospects of improvement in rice trade.

15. Siam and Japan are also entering the European market and exporting increasing quantities of rice. The temporary depression of the Burmah rice trade is due, unquestionably, however, not to competition, partial failure of corps, or low prices in Europe only, but in a great measure to over-speculation and excessive competition in 1883-84. With a revival of trade in Europe, and with a more sound and less speculative conduct of trade operations, we may hope for material improvement in the rice trade, which, for the moment, however, continues in a state of depression only too faithfully reflected in our returns of Customs duties.

16. Turning from the interest which the Government of India in its capacity of an extensive owner of railways, or as the guarantor of the main Indian lines, is compelled in an extraordinary degree to feel in the development of the trade of the country, I proceed to give a view of another of those relations which, as I pointed out in paragraph 120 of my last year's Statement, it occupies outside the sphere of the ordinary operations of Governments. The following few facts shew how it was that we were called upon to meet the heavy excess expenditure, the figures of which have been given in my paragraph 7 in relation to our opium monopoly. The area under opium in 1883-84 was not, I believe, exceptionally large, but from causes connected with the atmospheric peculiarities of the season, the outturn was quite exceptional. The average yield per beegah in the Behar Agency was 5 seers 15½ chittacks, against 2 seers 12 chittacks in the preceding year, which, however, was a year exceptionally bad, while in the Benares Agency it was 6 seers 7½ chittacks against 4 seers 1½ chittacks. The last estimate of the Behar Agency produce was 47,766 maunds, the gross weight of opium received, at 80-tola weight, was 55,379 maunds. In the Benares Agency, from figures furnished by the Opium Agent, it would seem that the outturn compared with that of the preceding ten years, was as follows :—

Opium crop of 1883-84. Comparison of outturn with that of previous years.

	Maunds.
1873-74	43,000
1874-75	39,201
1875-76	60,113
1876-77	61,561
1877-78	45,380
1878-79	56,636
1879-80	45,475
1880-81	45,505
1881-82	51,449
1882-83	42,213
1883-84	67,037

We had estimated, on account of Opium expenditure, for a sum of £2,352,900, we actually have had to pay a sum of £2,946,500. The storing of this largely increased quantity of opium led to no little difficulty in the Benares Agency,

and after the closing of the season's factory weighments, additional accommodation had to be furnished. The result, however prejudicial to our estimates of 1884-85, will enable us materially to increase our opium reserve. The prospects of the season now drawing to a close are again reported good, but there is no reason to suppose that the return will be equal to that of the preceding year.

Salt: progressive consumption steady but moderate.

17. In paragraph 16 of last year's Financial Statement is given a comparative table of the consumption of salt for the 11 corresponding months of each year from 1874-75 as compared with the previous year, and it was shewn that in the 11 months from 1st March 1882 to 31st January 1883, and from the 1st March 1883 to 31st January 1884 the increased consumption as compared with the corresponding months of 1881-82 amounted to 2,576,000 maunds. The consumption for the corresponding months of last year, namely, from 1st March 1884 to 31st January 1885 is 27,792,000 maunds, or 718,000 maunds in excess of the corresponding period of the preceding year. We have taken for our estimates a figure £72,000 in excess of the Budget Estimate of last year, and £61,700 in excess of the Revised Estimates. The increase of consumption continues to be steady, but not excessively large.

Savings Banks: increase in Depositors.

18. On the 31st March 1884 the number of depositors in District and Presidency Savings Banks was 91,981 against 88,836 on the same date of the previous year, or shewing an increase of 3,145 depositors. The increase occurred among the natives :—

	Europeans and Eurasians.	Natives.	Total
	No.	No.	No.
31st March 1883 . . .	20,232	68,604	88,836
„ *1884* . . .	20,037	71,944	91,981
	— 195	+ 3,340	+ 3,145

These figures indicate a growth of the provident habits of the people of this country.

The balance at the credit of the depositors on the 31st March 1884 was £3,028,200 against £3,113,700 on the corresponding date of the previous year, or shewing a decrease of £85,500. This decrease is due, no doubt, to the opening of the Post Office Savings Banks.

Success of Post Office Savings Banks.

19. The Post Office Savings Bank system continues to be a marked success. At the end of March 1883 the total number of Savings Bank Accounts was 39,121, by the end of March 1884 it had risen to 84,848, and now at the close of January 1885 it stands at 116,528. The balance at the credit of depositors at the end of March 1883 was ₹27,96,796; by the end of March 1884 it had risen to ₹75,14,454, and now, at the end of January 1885, it stands at ₹1,26,10,610. Of the 84,848 accounts open at the end of March 1884, 8,410 were accounts in the names of Europeans and Eurasians, while 76,438 were accounts in the names of natives of India. Of the total number of accounts open at the end of January 1885, 12,617 stand in the names of Europeans and Eurasians, and 1,03,911 in the names of natives of India.

Post Office Savings Banks (within the limits of the Presidency towns) were opened at Madras on 1st April 1883, and at Calcutta and Bombay on the 1st May 1883. At the close of March 1884 the number of accounts standing in the books of these Banks was 6,361, and the balance at the credit of depositors ₹4,95,277. At the close of January 1885 the number of accounts is 10,786 and the balance at the credit of depositors ₹10,10,028. There is every reason, therefore, to be satisfied with the results. Out of the total number of depositors

at the end of March 1884, 1,191 were Europeans or Eurasians and 5,170 natives of India. Of the total number now shewn, 1,972 are Europeans and Eurasians and 8,814 natives of India.

The Presidency Savings Banks comprise a certain number of Sub-Savings Banks at small offices in the vicinity of Presidency towns as well as at the various town Sub-Offices, and the figures now given include the accounts at all these Sub-Offices.

Post Office Life Insurance in experimental stage.

20. The Life Insurance scheme for persons in the employ of the Post Office was introduced on the 1st February 1884, and has therefore been in force for a year up to the end of January 1885. The number of such persons who have insured their lives during this period is 339, and the total amount for which their lives have been insured is ₹4,89,675. Of these, 37 were Europeans and Eurasians and 302 natives of India.

During the first year of the scheme only about 3 per cent. of Post Office servants above the grade of postmen have taken advantage of it, and the scheme cannot therefore be said to have been an unqualified success hitherto. But in Madras, Bombay, and especially in Bengal, where English ideas and education are more wide-spread than in the rest of India, there is reason to believe that it is being appreciated. In Bengal 134 natives insured their lives, and in Madras 54. On the other hand, in the whole of the North-Western Provinces, Oudh, and the Punjab there were only 28 natives of the country willing to make use of the scheme.

Imports of gold and silver.

21. The net imports of gold and silver during ten months of 1884-85 and for each year since 1880-81 are given below. Attention was drawn in last year's Financial Statement to the annual absorption of gold by India. The year 1883-84 is the highest point reached since 1869-70.

Year.	Gold.		
	Imports.	Exports.	Net imports.
	₹	₹	₹
1880-81	3,68,10,576	1,68,586	3,66,41,990
1881-82	4,85,63,920	1,24,078	4,84,39,842
1882-83	5,09,51,324	16,42,639	4,93,08,685
1883-84	5,46,94,568	61,412	5,46,33,156
1884-85 (10 months)	4,57,55,811	7,29,476	4,50,26,335

Years.	Silver.		
	Imports.	Exports.	Net Imports.
	₹	₹	₹
1880-81	5,31,61,563	1,42,35,822	3,89,25,741
1881-82	6,46,63,884	1,08,73,390	5,37,90,494
1882-83	8,35,82,318	87,75,849	7,48,06,469
1883-84	7,40,85,065	1,00,23,525	6,40,61,540
1884-85 (10 months)	7,21,77,086	1,59,86,152	5,61,90,934

No improvement in Stock Notes.

22. Stock Notes have shewn no sign of improvement. Up to the end of December 1883 £190,400 worth of Stock Notes had been issued; at the close of 1884 the figure stood at £200,113. The subject has been under the consideration of the Government of India, who are about to address the Secretary of State upon it with a view of taking such measures as may possibly facilitate the use of the notes. It would be premature at present, until we know what the views of the Secretary of State are, to enter into any detailed discussion of this subject, which must be reserved for the ensuing year.

Detailed notes as to difference, above £10,000, in the Budget and Revised Estimates of 1884-85.

23. I proceed now to give the customary explanations under those heads where the receipts and the expenditure of the Revised Estimates shew considerable difference from the estimates taken in the Budget. Where the difference, whether increase or decrease, is not more than £10,000, I think it unnecessary to record here any explanation.

24. *Land Revenue* (*I*); Decrease, £341,900. This is a net decrease, due mainly to Madras (£271,600) and Bombay (£72,300). The large reduction under Madras was owing to the exceptional character of the rainy season in 1884-85. Not only had the south-west monsoon in certain districts failed, but the north-east monsoon was very deficient in the northern part of the Presidency, while, on the other hand, it was accompanied in the south by serious floods. Hence considerable remissions and suspensions of land revenue have been brought about. In Bombay a similar failure of the monsoon in the Southern Mahratta country has led to postponement, in part, of the demand. These are the suspensions of land revenue spoken of in paragraph 7.

25. *Opium* (*II*); Increase, £255,800. This is due in part to the fact that the opium sales having produced an average of ₹1,295-15-11 per chest, against ₹1,250, the figure taken in the estimates; and secondly, to a sale of 198 chests more than it was originally proposed to place on the market. The increased ratio of sales took place from the 1st January in the present year. There were delivered by Mr. Rivett-Carnac's Agency 2,268 maunds of Malwa opium, at a consistence of 90 per. cent., being equivalent to the setting free of 1,712 chests of provision opium at 70 per cent. consistence. The amount of reserve at the close of 1885 is estimated at 18,297 chests.

Principal heads of Revenue.

26. *Salt* (*III*); Increase, £21,100. This is mainly due to an increase of £85,300 in Bengal, and £20,000 in Bombay, against which, however, has to be put a decrease of £93,200 in Madras. The decrease in Madras is attributed to diminished consumption of east coast salt; secondly, the large extension of sales under the credit system, of which the effect will be to transfer to 1885-86 revenues which would otherwise have been collected in 1884-85; thirdly, the substitution of excise salt for monopoly salt, and the consequent omission from both the expenditure and revenue sides of the accounts, of the cost of manufacture, which under the monopoly system the Government used to pay to manufacturers, recovering it subsequently with the duty; hence the only real decrease is that arising from decrease of consumption of East Coast salt.

27. *Stamps* (*IV*); Increase, £45,000. *Excise* (*V*); Increase, £216,600. The increase under these heads is general and normal, in years of average prosperity, and calls for no particular remarks.

28. *Provincial Rates* (*VI*); Increase, £53,600. This increase is the net result of increases and decreases in the several Provinces. The principal of these are, first, an increase of £66,000 in the Punjab, due to the circumstance that the assets of the Patwari's Fee Fund, (an incorporated Local Fund) have been transferred from under Land Revenue to this head; and, secondly, to a decrease of £22,400 in Madras due to postponement of collection of cesses to that amount till the ensuing year 1885-86.

29. *Customs* (*VII*); Decrease, £259,500. This is the net result of a decrease of £194,500 in British Burmah, £75,000 in Bengal, and an increase of £10,000 in Bombay. The cause of this decrease has been sufficiently explained in previous paragraphs of this Statement.

30. *Registration* (*X*); Increase, £15,200. This is due to the same cause as *Stamps* and *Excise*, namely, to general prosperity throughout the country during the year, and calls for no particular remark.

31. *Mint* (*XIV*); Increase, £61,800, due to coinage of a larger quantity of silver than was anticipated, and to a gain arising out of a greater quantity of copper passing into circulation than was expected at the time the Budget was framed. *Post Office, Telegraph, and Mint.*

32. *Law and Justice* (*XV*); Decrease, £53,800, being mainly due to diminished receipts from the sale of jail manufactures, and from Magisterial fees and fines.

33. *Marine* (*XVII*); Decrease, £28,000. Of this, £20,000 is due to the falling off in Dockyard services and supplies to other Departments. A reduction of £3,700 is also made in the Burma Estimates, owing to short receipts from sale of vessels and stores, freight, passage, tonnage, &c. Under Bengal a reduction of £5,000 is made owing to short pilotage receipts, arising from the slackness of trade. *Receipts by Civil Departments.*

34. *Scientific and other Minor Departments* (*XX*). The increase is £12,100; it is general and represents larger receipts than originally anticipated under Botanical gardens, experimental farms, sales of cinchona, and the other remaining subordinate heads of revenue.

35. *Interest* (*XXI*); Increase, £47,300. Of this £23,100 occurs in England and £24,200 in India. The increase in England is due to the temporary investment at favourable rates of the surplus cash balances owing to the loan of three millions which was issued in May 1884 not being required for the discharge of debentures till August. The increase in India is due to interest on over-drawals of capital by guaranteed railways.

36. *Miscellaneous* (*XXIV*); Increase, £63,300. This is always an uncertain figure, and the above increase is mainly due to the receipts from lapsed deposits being expected to reach a higher figure than was foreseen in the Budget. *Miscellaneous.*

37. *State Railways, Gross earnings* (*XXV*); Decrease, exclusive of the East Indian Railway, £7,300. This is the net result of a series of figures of which the chief are, an increase of £10,000 in the Burma State Railways, £10,000 in the Eastern Bengal State Railway, and £97,500 in the Indus Valley State Railway, against a decrease of £47,500 in the Rajputana-Malwa Railway, £7,500 in the Nagpore and Chhatisgarh State Railway, £23,500 in the Northern Bengal State Railway, and £22,600 in the Calcutta and South-Eastern State Railway. The increase in Burma is due to additional mileage opened on the Sittang Railway, on which the receipts also have proved better than was expected. On the Eastern Bengal State Railway the improvement is due to the following causes. After the preparation of the original estimate it was resolved to amalgamate the Calcutta and South-Eastern State Railway and the Poradaha-Damukdia Section of the Northern Bengal State Railway with the Eastern Bengal State Railway; the figures of the Revised Estimates, therefore, represent the transactions of the combined undertakings. This estimate also includes a special credit of £29,500 on account of the estimated share of the assets of the Fire Insurance and Flotilla Reserve fund of the late Eastern Bengal Guaranteed Railway, credited to the Imperial Government. The increase in the Indus Valley State Railway is owing to the development of the wheat and seed traffic on that line. With regard to the decreases, that of the Rajputana Railway is due to loss of traffic in consequence of breaches on the line and on the Bombay, Baroda, and Central India Railway during the monsoon; to slackness of the wheat trade; and to a reduction of the rate of charge against the Rewari-Ferozepore State Railway for hire of rolling-stock. The decrease on the Nagpore-Chhatisgarh Railway is ascribed chiefly to the slackness of the grain market, and to reduction in the rates for carriage of grain and salt. The decrease in the Northern Bengal State Railway is due to the transfer of the Poradaha Section of the line, as already explained, and to the reduction of the charge levied for crossing the Ganges on the opening of the extension of the *Revenue from Productive Public Works.*

same section to the new Ghat at Golabnagar. The decrease in the Calcutta and South-Eastern State Railway is due to its amalgamation with the Eastern Bengal State Railway from the 1st July 1884, and while the Revised Estimate represents receipts only up to the 30th June, the Budget Estimate of 1884-85 was based on a whole year's transactions. On the East Indian Railway there is a decrease of £580,000. This formidable decrease is due to the stagnation in the wheat trade which has formed the subject of preceding remarks.

38. *Guaranteed Railways, Net traffic receipts (XXVI)*; Decrease, £239,000. This is the net outcome of the following figures:—

	Increase.	Decrease.
	£	£
(1) Eastern Bengal Railway	...	73,000
(2) Madras Railway	45,000	...
(3) South Indian Railway	...	6,000
(4) Bombay, Baroda, and Central India Railway .	...	10,000
(5) Great Indian Peninsula Railway . . .	...	30,000
(6) Oudh and Rohilkund Railway . . .	...	75,000
(7) Sindh, Punjab, and Delhi Railway . .	...	90,000

(1) *Eastern Bengal Railway.*—The figures are for the three months April to June 1884-85, the line having been taken over by Government from 1st July. The decrease on the Budget resulted from a decline in traffic; and from heavy outlay in excess of Budget provision on establishment and other charges, found necessary in connection with closing the Company's accounts and transactions.

(2) *Madras Railway.*—The improvement is due to the traffic being fairly good, and to an expected reduction of £25,000 on account of expenses.

(3) *South Indian Railway.*—Disastrous floods along this line caused several breaks in it, and interrupted the traffic for a comparatively long period. The disappointment of Budget expectations is due to these causes.

(4) *Bombay, Baroda, and Central India Railway.*—Breaks in the line during the last monsoon have brought about a reduction compared with the Budget Estimate.

(5) *Great Indian Peninsula Railway.*—The decrease is due to the Budget provision for expenses being insufficient by £50,000.

(6) *Oudh and Rohilkhund Railway.*—The traffic not having proved as good as it was expected it would prove, combined with the circumstance of the line being extended at a later date than was anticipated, has resulted in the Revised Estimates taking a lower figure than the Budget of 1884-85.

(7) *Sind, Punjab, and Delhi Railway.*—The Revised Estimate of receipts is £80,000 worse than the Original Estimate of the year. The goods traffic fell off considerably from June to September 1884, owing chiefly to the low price of wheat in Europe. Of the decrease of £80,000 the major part of £50,000 is, however, nominal, and is thus explainable—

1st,—£30,000 is due to a change in the system of accounting for receipts and charges on account of mileage and demurrage by which the *net result* is now shewn on the receipt or charge side of the Account, as the case may be, instead of the gross amounts being shewn on both sides of the Account, as formerly.

2nd,—£15,000 is due to a reduction in the rates for carriage of revenue stores. These changes have led to a corresponding reduction in charges. In the Revised Estimate of expenses £10,000 in excess of the Budget Estimate of 1884-85 have had to be provided to meet the cost of carrying out extensive renewals of permanent way and carriage and wagon stock. These renewals are expected to cost over £80,000, and but for this special and unforeseen expenditure

there would have been a satisfactory reduction over and above the nominal reduction due to the change in system already referred to.

39. *Irrigation and Navigation* (*direct receipts*) (*XXVII*); Increase £105,500. Compared with the Original Estimate the Revised shews an improvement of £105,500, being the net result of the following differences :—

	Increase.	Decrease.
	£	£
Bengal	...	5,000
N.-W. P. and Oudh	76,400	...
Punjab	36,100	...
Madras	...	2,300
Bombay	300	...

The decrease in Bengal is ascribable to a falling off in the water-rates and Navigation receipts on the Orissa and Midnapur Canals. The increase in the N.-W. P. and Oudh is due to the exceptionally favourable rabbi season of 1883-84 and a good kharif season in 1884-85.

In the case of the Punjab the increase represents the net balance of an increase on the Western Jumna Canal, and of a falling off on the Bari Doab and Sirhind Canal. The increase on the Western Jumna Canal is due to the area of irrigation being increased because of scanty rainfall during the rabbi season of 1883-84, and the early part of the kharif season of 1884; while the falling off on the Bari Doab and Sirhind Canals is the result of irrigation being less than was anticipated. The decrease in Madras is due chiefly to the falling off of Navigation receipts from tolls and license fees. The increase in Bombay is trifling and does not call for any special remarks.

40. *Portion of Land Revenue due to irrigation* (*XXVIII*); Increase £13,600: being the net outcome of figures in which the only notable increase is £16,600 in Madras, caused first by the completed channels of the Sangam Anicut project having been brought into operation for the first time, during the year; secondly, to the extension of irrigation in the Godavery and Kistna Delta systems; and thirdly, to the rate of calculation of charges in the Civil Department having been reduced from 7·2 to 5 per cent.

41. *State Railways* (*XXIX*); Increase £38,200: mainly due to £17,500 under the Rewari-Ferozepore State Railway, arising from the extension of the line to Ferozepore, and to the fact of the Fazilka branch having been opened earlier than was expected; and to £22,500 on the Sind-Peshin State Railway, due to the conveyance of labourers and large quantities of material for the northern section of this line, formerly known as the Candahar State Railway.

Receipts on account of Public Works not classed as Productive.

42. *Southern Mahratta Railway* (*XXX*); Increase £32,500, due to an extension of traffic.

43. *Interest on Ordinary Debt*; (1) Increase, £241,100. Of this increase £199,400 occurs in England, and is due chiefly to the payment of £184,200 on account of discount on the issue in 1884-85 of India 3 per cent. stock of 3 millions, and to the charge for interest on this loan (estimated at £67,500 in 1884-85). On the other hand, there is (1) a decrease of £31,500 in interest on Debentures, owing to £5,000,000 only having been renewed instead of £6,906,500, as provided in the original estimate; (2) a decrease of £15,000 on temporary loans; and a decrease of £4,000 in the payments of outstanding dividends. The small difference under India calls for no special remark.

Expenditure.

Interest.

44. *Opium* (*6*); Increase, £593,600. This occurs principally in Bengal, and is due to the exceptionally large crop of 1883-84. Explanation has already been given in the body of the Statement in regard to this increase.

Direct demands on the Revenue.

45. *Salt* (7); Decrease £62,100. The saving is due to a reduction in salary, establishment and contingent charges, and in charges for manufacture, purchase, and freight. In Madras the gradual supersession of the monopoly by the Excise system has also resulted in diminished expenditure. In Bombay the saving occurs chiefly in the salt establishment for Portuguese India.

46. *Provincial Rates* (10); Increase £58,400. This arises almost wholly in the Punjab, and is due to the transfer from "5. Land Revenue" to this head of the charges debitable to the Patwaris Fees Fund.

Post Office, Telegraph, and Mint.

47. *Telegraph* (16); Decrease £33,500. The saving occurs in the Indian Telegraph Department, and is due chiefly to restricted outlay on works, and to savings in establishments.

48. *Law and Justice* (19); Decrease £84,900. The decrease occurs in almost all the provinces, and is due principally to cheapness of grain and to limited expenditure on jail manufactures followed by diminished receipts.

Salaries and Expenses of Civil Departments.

49. *Police* (20); Increase £11,900. The Central Provinces, Burma, and Madras shew a saving. The other provinces provide for small increases to meet the growing requirements of the Department. The decrease in the Central Provinces amounts to £17,000, and is chiefly due to the revised scale of salaries sanctioned in re-organising the Police establishment not having been introduced as early as was expected.

50. *Marine* (21); Decrease £29,700. This is made up of decreases in India and increase in England. The decrease in India amounts to £42,700 and occurs chiefly in expenditure on account of dockyard services and supplies, followed by diminished receipts. The increase in England is due to charges on account of repairs of the steamer "Tenasserim."

51. *Education* (22); Decrease £26,400. This occurs in small amounts in almost all the provinces, and is due to excessive provision in the original estimate.

52. *Political* (25); Increase £167,800. The increase is mainly due to the following items:—

	£
Arrear payment of Amir's subsidy	29,800
Afghan Delimitation Commission	120,000

Miscellaneous Civil Charges.

53. *Territorial and Political Pensions* (27); Decrease £26,600. The variations occur in small amounts in all the provinces except the North-Western Provinces and Oudh, where there is a decrease of £10,000 due to the original estimate of the year having been taken at too high a figure.

54. *Stationery and Printing* (30); Decrease £37,100. The charges under this head are expected to fall short of the amount they were originally expected to reach, by £37,100. Of this amount a saving of £14,300 occurs in India, the saving under England being £22,800. In England the saving is due to less outlay on stores.

Famine Relief and Insurance.

55. *Famine Relief* (32); Increase £12,000. This figure is thus distributed—

	£
Bengal	5,000
Madras	2,000
Bombay	5,000
	12,000

No provision was made in the original estimates. But in Bengal, the prevalence of scarcity in the western districts; in Madras, devastating floods in South Arcot and some of the southern districts; and in Bombay expected distress in the Kaladgi district, render the small assignments made, necessary.

56. *Protective Works, Railways* (*33*); Decrease, £240,500. The decrease is due to the refund to the Government of the North-Western Provinces and Oudh of the contribution of £250,000 made from Provincial balances towards the construction of the Jhansi-Manickpur Railway, and the consequent curtailment of expenditure to that extent.

57. *Protective Works, Irrigation* (*34*); Decrease £39,500. This figure is made up thus :—

	£
Bengal, Increase	40,000
India (General and Political) Decrease	55,200
Madras ditto	7,200
Bombay ditto	17,100
Net	39,500

The increase under Bengal is due to an additional grant sanctioned during the year for expenditure on the Orissa Coast Canal. The decrease under India (General and Political) represents the unutilised portion of the reserve held by the Department of Public Works to meet any applications for additional grants that might be made during the course of the year. The decrease in Madras is due to slow progress of work, for want of labour, on the Rushikulya project. The decrease in Bombay is due to short expenditure on the Nira Canal and the Mhaswad Tank, owing partly to the scarcity of labour and partly to the question of the waste weir of the Mhaswad Tank remaining unsettled till late in the year.

58. *Reduction of Debt* (*35*); Increase, £18,000. This is due to a re-adjustment of the grants under the several heads subordinate to the major head "Famine Relief and Insurance" in order to make up the total grant to £1,500,000.

59. *State Railways* (*working expenses*) (*36*); Increase, £33,600. The increase is due to the following causes: in the Rajputana-Malwa State Railway to the heavy renewals, to repairing the breaches on the line, and to charges now made under contract with the Bombay Baroda and Central India Railway for working this line; in the Nagpur-Chatisgarh Railway, to heavy expenditure incurred in repairing flood damages; in the Burma State Railways, to the transfer to the Revenue Account of the maintenance charges of the new lengths of the Sittang Valley Railway originally included in the Capital Accounts, in the Tirhoot State Railway, to extensive renewals of sleepers and permanent-way; in the Northern Bengal State Railway to extensive renewals of sleepers and ballast and repairs of vessels. There is, however, a large decrease of £17,500 in the working expenses of the Indus Valley State Railway owing to a reduction in the expenditure of the Locomotive Department chiefly under fuel.

Expenditure on Productive P. W. (Revenue Account.)

60. *East Indian Railway* (*Working expenses*); Decrease, £161,200 :—

	£
Working expenses	120,000
Surplus profits, and contribution to the provident fund	41,200
TOTAL	161,200

The reduction in the working expenses is due to reduced traffic and to a curtailment of outlay on renewals, &c., and that in surplus profits to a reduction in the net profits of the line.

61. *Guaranteed Railways* (*Surplus profits, Land and Supervision*) (*37*); Decrease, £34,900. The decrease occurs principally in Bombay and Bengal (£10,800) owing to a larger credit expected from the Southern Mahratta Railway

Company on account of Supervision, and £13,600 to the payment of surplus profits, as the Eastern Bengal Railway did not earn a surplus during the half-year ending 30th June 1884.

62. *Irrigation and Navigation; working expenses* (*38*); Increase £19,700. This occurs as follows:—

	£	£
Imperial Decrease	5,100	
Provincial Increase	24,800	
Net increase .		19,700

The decrease under Imperial is the net result of savings in establishment charges in the Punjab and increases in Madras, where additional expenditure has been incurred for repairing the flood damages on the Godavary and the Cauvery Delta systems.

The increase under Provincial occurs principally in the North-Western Provinces and Oudh, where additional outlay has been necessary for repairing the damages done by heavy floods to the Nadrai Aqueduct on the Lower Ganges Canal.

63. *Charges in respect of Capital* (*39*); (*a*) Interest on debt. Increase £10,400. The increase here is chiefly due to provision on account of interest on the debentures and debenture stock of the Eastern Bengal Railway.

(*b*) *Annuities in purchase of Guaranteed Railways* (*including Sinking Funds.*)—Decrease £34,500. This decrease is nominal, as it is due to the issue of India Stock in redemption of a further portion of the Annuity of the East Indian Railway not provided for in the original estimate, and to change in the date of the payment of the Annuity of the Eastern Bengal Railway.

(*c*) *Guaranteed Railways Interest.*—Decrease, £17,800. This occurs in England, and is due to capital subscribed not having been paid up as early as was expected.

Expenditure on Public Works not classed as Productive.

64. *State Railways* (*Capital Account*) (*40*); Increase, £24,400. This is composed of a decrease of £17,500 under Imperial, and of an increase of £41,950 under Provincial. The saving in Imperial is due to transfer of grant from this head to "43. Frontier Railways" to meet outlay on the Northern Section of the Punjab Northern State Railway. The excess under Provincial is due to transfers sanctioned during the year from "46. Civil Buildings, Roads and Services," to this head.

65. *Southern Mahratta Railway* (*42*). The increase is £58,800, of which £27,800 falls under interest payments and £31,000 under working expenses.

66. *Frontier Railways* (*43*); Increase £211,700. During the year additional grants amounting to £450,000 and transfers from other grants were sanctioned for the vigorous prosecution of these Railways. From the consolidated grant thus arrived at a portion has been transferred to "Expenditure on Productive Public Works, Capital Account."

67. *Irrigation and Navigation* (*44*); Increase £29,900. This occurs principally in the Provincial Section of the estimates, and is due to additional grants having been sanctioned by the Chief Commissioner of British Burma, and by the Government of Madras during the year.

68. *Military Works* (*45*); Increase £50,400. The increase is chiefly due to additional grants sanctioned for the Aden defences, and to the refund of an excess payment on account of the Army Head Quarter Offices, Simla.

69. *Civil Buildings, Roads and Service* (*46*); Increase £103,700. The increase occurs in all the provinces in the Provincial section of the estimates, and is due to additional grants sanctioned during the year.

70. *Army.*—Decrease £128,400. The gross Budget figures were £16,098,600. The Revised Estimate is £15,970,200. The decrease is £128,400. This is due in part to the actual strength of British troops having been below the established strength; to the withdrawal, early in the season, of two regiments of British infantry for service in Egypt, in anticipation of their transfer to England in the ordinary course of relief; to favourable prices; to continued savings in medical supplies and services; and to reduced charges for railway and other transport, the estimate for which was too high. On the other hand the Zhob Valley expedition is estimated to cost £60,000. *Army services.*

71. *Exchange on transactions with London (49).* The amount provided in the Revised Estimate of 1884-85 is below that assigned in the Budget Estimate of 1884-85 by £285,200. The following table compares the original and present figures. The + entries represent gain, and the — entries loss by exchange:— *Exchange on transactions with London.*

	Budget, 1884-85.	Revised, 1884-85.
	£	£
Secretary of State's Bills	—3,807,700	—3,337,100
Advances for Suakim Expedition	...	—75,000
Hong-Kong Bills	—30,000	—50,600
Guaranteed Railways	+147,200	+150,200
East Indian Railway	+135,100	+98,100
Rajputana-Malwa Railway	...	+16,800
Southern Mahratta Railway	—93,000	—136,700
Military, Public Works, and Civil	+110,300	+81,400
TOTAL	—3,538,100	—3,252,900

The reduction of exchange under the Secretary of State's Bills is due to the following cause. When the Budget of 1884-85 was framed, the Secretary of State fixed his drawings at £16,500,000 true sterling, the rate of exchange adopted being 1*s.* 7½*d.* the rupee. During the course of the year, however, owing to an unexpected receipt of £1,704,400 on account of capital of Southern Mahratta Railway, and owing to the expected recovery of £325,000 true sterling on account of advances now being made in India towards the Suakim expedition, as well as to other causes, the Secretary of State has been able to relieve his drawings on India by £2,704,700. The present estimate of Council Bill drawings is £13,795,300 true sterling, and the rate of exchange at which these drawings have been taken is 1*s.* 7·3*d.* The provision on account of advances towards the Egyptian expedition is the exchange at 1*s.* 7·5*d.* the rupee on the expected recovery in England of 40 lakhs of rupees advanced from the Indian treasuries. *Budget Estimate, 1885-86.*

Budget Estimates, 1885-86.

72. The Budget Estimate for 1885-86 is as follows:—

	£
Revenue	72,090,400
Expenditure	71,582,300
Surplus	508,100

The surplus presented for 1885-86 is, it will be seen, £508,100. To estimate, however, the real significance of this surplus attention must be directed to two points, which are material to a proper comprehension of the significance of the figures here presented.

In paragraph 58 of his Financial Statement for 1880-81, Sir John Strachey spoke as follows:—

"When the serious character of the financial obligations of the State in times of famine had been recognised, it became the duty of the Government of India to make sure that the public resources were adequate to meet the fresh strain imposed upon them. Upon careful enquiry we came to the conclusion that we must contemplate a liability from famine amounting, in loss of revenue and actual expenditure, to, on an average, £15,000,000 in ten years. It was clear that this liability must be included among our ordinary obligations, and that it would have been a fatal error to go on increasing the public debt to meet charges which must periodically occur. To enable us to discharge the liability thus estimated, we determined to aim constantly at a surplus of £1,500,000, supplemented by a further surplus of £500,000 to provide for extraordinary and abnormal demands other than famine, as, for example—to name the most serious of such demands—for war."

Remarks on the nature of the surplus above exhibited.

Happily the most serious of such demands has not been made upon us, but in connection with our military position in India we decided, in the course of last year, to improve our communications, whether by railway or by road, upon our North-Western frontier; and, with the concurrence of the Secretary of State, we have determined to devote annually to capital expenditure a certain amount from our revenues until such time as our railway communications are completed. This year we have so devoted in all, inclusive of £85,000 for harbour defences, a sum of £585,000, besides an addition of £100,000 to the ordinary grant for roads, to be expended on certain frontier roads. This sum we may claim to look upon as equivalent, in its nature, to the surplus indicated in Sir John Strachey's remarks as desirable to have at our disposal for extraordinary and abnormal purposes such as those to which this sum is to be now applied. I mention this here, as it were *in limine,* because otherwise, in exhibiting the estimated surplus, the nature of our proposed transactions during the ensuing year may be misunderstood, and the conclusion may be formed that our revenues have been confined to normal expenditure unconnected with capital charges, such as those I am describing. It appears to me a matter for very great satisfaction that we have been enabled to devote a portion of our revenues to the execution of the policy indicated in the paragraph I have above quoted. All difficulties notwithstanding, we have been enabled to look to our revenue resources to meet demands which are extraordinary and abnormal, and to enable us to devote to them funds which were designed especially for emergencies of this nature. I shall enter presently more into detail on this matter, for it is closely connected with the main feature of the year which I am about to explain; but, for the reasons I have given, I deem it necessary to place these remarks in juxtaposition, as it were, to the balance above indicated. The second point to which attention must be directed is that, if we are to exclude from our surplus the grant from revenue for capital purposes, the surplus actually exhibited does not arise from an increase of revenue over expenditure; but from the fact that our expenditure, so far as it is effected in pounds sterling in England by means of sums made available there to the Secretary of State, is not represented at its exchange value in our accounts. In other words, the loss by exchange on £2,225,000 sterling is not entered in the accounts presented with these statements; and as that figure amounts to £585,000, by this amount are we, in effect, understating what should be regarded as our liabilities of expenditure. If we include on the one hand £585,000, the grant for railways and certain harbour defences, being capital expenditure, in our revenue expenditure, and exclude £585,000 from our surplus as representing the unexhibited loss on exchange, we arrive at about an equilibrium of revenue and expenditure. This much premised, I may go on to examine the nature of the provisions for the coming year.

73. The main features of the coming year are four: *first*, that it will give an effect, in the Budget, to the measures recommended, at the instance of the Government of India, by the Parliamentary Committee, for the construction of railways, with such further development as the circumstances of the time render imperative. *Secondly*, that it compels us, owing to the temporary stagnation of the wheat and rice trade, to take estimates for our railway and customs receipts at a considerably lower figure than those which in a normal year we should look for. *Thirdly*, that we have been compelled, owing to the fall in the value of silver, to take so low a rate of exchange as 1*s.* 7*d.* for our exchange. *Finally*, that we have devoted the sum of £500,000 above mentioned from our revenues for the improvement of our railway communications, besides certain further subsidiary sums for frontier roads and the defences of Aden and of certain harbours in India. *Four main features of the coming year.*

74. The report of the Parliamentary Committee on Indian Railways has been long since published, and contains a great deal of matter which has no direct bearing upon the financial questions discussed in this Statement. But the Committee have made certain recommendations, which are in part still under the consideration of the Government of India and of the Secretary of State, and which, whatever may be the decision finally arrived at in regard to them, will have a very considerable effect upon our finances. I propose to summarise the recommendations to which I allude, and to point out, so far as can at present be seen, in what direction they will modify the arrangements hitherto existing, and what are the means which we possess to enable us to meet them from our resources. Briefly, the arrangements hitherto existing were these. Railways were divided into two classes, Productive and Protective; capital expenditure on the former, which were of a remunerative character, was from loan; on the latter, which were for protection against famine, and not necessarily remunerative, expenditure was from what is known as the Famine Insurance grant. The annual limit to loan expenditure of all kinds was £2,500,000, fixed by a Parliamentary Committee in 1879, in which was included expenditure on canals; the annual expenditure on Protective lines was £500,000. There was no formally sanctioned programme, whether as to works, or the time within which works were to be executed. These were the arrangements existing when the Parliamentary Committee of 1884 met; it remains to indicate the points on which that Committee proposed modifications. *Firstly*, the Committee recommended that the technical distinction which has been hitherto made between Protective and Productive lines should not be maintained. They proposed, therefore, that railways needed for protection from famine, or for the development of the country, be made as required, whether they be technically considered Protective or Productive. But they were strongly of opinion that the bulk of the lines made should be self-supporting. *Secondly*, they were of opinion that a careful forecast having been made of future requirements for Public Works over a considerable term of years, such a scale of expenditure upon railways should be adopted as could reasonably be maintained. *Thirdly*, they were of opinion that the amount proposed to be spent in railways by the Government of India during the next six years was moderate, and that, looking to the experience of past years and to present prospects there is very fair ground for expecting that an extension of the railway system in India on the scale proposed would have most beneficial effects. *Fourthly*, with regard to the recommendation of the Government of India that interest on the sum of £11,250,000 to be spent on Productive and Protective Railways should be partly provided by hypothecating £200,000 of the annual Famine grant above specified, they were of opinion that any such application of any portion of that grant would be entirely contrary to the purposes for which the fund was created, and they could not *Railways.* *The Parliamentary Committee's recommendations.*

concur in this suggestion. *Finally*, while expressing an opinion that the present limit of borrowing fixed by the Committee of 1878-79 at £2,500,000 might safely be enlarged, they thought the full responsibility of deciding upon the amounts to be borrowed from year to year, should rest with the Secretary of State in Council. They wished, in conclusion, most emphatically to endorse the declaration of the Government of India that the proposed extension of railways should not involve additional taxation.

Effect of their recommendations.

75. The practical effect of these conclusions will be somewhat as follows. Railways, whether Protective or Productive, whether, that is to say, railways solely designed as safeguards against the effect of famines, or whether partly or in whole projected with the view of opening up or connecting the centres of production or of trade, will alike be charged, so far as is necessary, to loan expenditure. Hitherto the latter only have been so charged, expenditure on Protective railways having been limited to the £500,000 annually available from the Famine Insurance grant, and to such small sums as could be spared from Revenue. The forecast having been made, it will be necessary to provide funds for its execution; but, so far as concerns capitalising from the Famine grant any portion of the funds necessary for payment of interest to the Companies to whom it was proposed to confide, under a guarantee, certain important railways, the proposal must be abandoned, and the sum of £500,000 hitherto spent in construction of Protective railways, will continue to be contributed from Revenue to Capital expenditure. The interest to be paid on account of the new guaranteed railways, therefore, as well as any additional interest to be paid in consequence of extension of the limits of our annual loans, will be furnished from the general resources at the disposal of the Government of India. The resources to which we had hoped to turn to assist us in part in this obligation, have been, so far as they depended on the partial capitalisation of the Famine Insurance grant, denied us; while, on the other hand, the Parliamentary Committee have endorsed the declaration of the Government of India that the development of its railways is not to be carried out at the expense of further taxation. Apart, however, from the scheme of railways which was laid before the Parliamentary Committee, the Government of India has since thought it necessary to propose, and the Secretary of State has approved, the carrying out of a scheme to strengthen our Railway communications on our North-Western frontier, the cost of which, inclusive of the Sibi-Quetta Railway, will amount to not less than £5,200,000. The cost of the railways remaining at the commencement of 1885-86 to be constructed during the ensuing five years by Government as distinct from those which it is desired to make over to Companies, is estimated, inclusive of extra capital for open lines, at about £19,000,000, the total of the two classes of communications thus amounting to £30,250,000.

To assist us in carrying out our proposed increased Railway expenditure, the recommendations of the Parliamentary Committee that the limit of annual loan should be raised above the limit hitherto prescribed, has, of course, received the attention which it deserved, and the matter is still under reference to the Secretary of State, who has not as yet given a final decision as to the amount which, in the discretion left him, he desires to fix. Besides the sum to be so raised by loan, in respect of capital expenditure, which from its magnitude we may put in the first line, we have further, in the second place, the annual grant of £500,000 above alluded to as hitherto devoted from the Famine Insurance Fund to Protective railways; and in the third place, we are desired by the Secretary of State to estimate in our Budget for such available surplus as it may be possible annually to provide. On this point, again, it has been found necessary to make a further reference to the Secretary of State; and it will be sufficient

for the present to say that in the ensuing year the sum of £500,000, as stated in paragraph 74 of this Statement, has been placed at the disposal of the Public Works Department for Railway capital expenditure. As to the liabilities which these three combined sources of expenditure will throw upon our Budget Estimates, we cannot speak with certainty until the decision of the Secretary of State is received, as to the limit within which the annual loan is to be fixed during the term of the execution of the proposed works. Until that sum is known, it is obviously useless to hazard any forecast as to the annual amount which we shall be called upon to set aside on our estimates to meet the interest on our own loans. Then there will be the annual grant of £500,000 to be provided from the Famine Insurance Fund. Next will come an annual grant from our revenues of such amount as they can provide. Finally, there will still remain, in the fourth line, to be met from our revenues, the interest required on the guarantee to be given to the Companies through whose agency it has been proposed to construct certain important lines. The net interest to be so paid has been calculated by the Accountant General, Public Works Department, as follows:—

	£
1st year	85,000
2nd ,,	157,500
3rd ,,	210,000
4th ,,	250,000
5th ,,	255,000
6th ,,	160,000

In his evidence before the Parliamentary Committee, Mr. Westland, Comptroller-General of Accounts, whose judgment on matters connected with Indian finance merits the most respectful attention, estimated that the Government of India, after providing for the interest on its own proposed loans and for the projected guarantees, and for the grant from the Famine Insurance Fund, but exclusive of any other regular grants from revenue for capital expenditure, could estimate for a surplus of £480,000 on a safe calculation of the Revenue and Expenditure, and at a low forecast of opium. He left out of his calculation arrangements with the Civil Funds which might be expected to have the immediate effect of relieving the Revenue Account for many years to come of about £200,000 or £250,000, and arrangements for the payment of non-effective charges to the War Office which would relieve the Revenue Account, for a few years at least, of £400,000 or £500,000. Mr. Westland, as above stated, included in his figures the entire reservation (since endorsed by the Parliamentary Committee) of the £1,500,000 Famine Insurance; and he finally explained that the surplus of £480,000 above stated might be reasonably expected to increase by about £414,000 every year; but he added that every farthing fall of exchange cost Government directly about £220,000, so that if exchange were to fall a farthing every year, the annual amount on the present financial position would be reduced from £414,000 to £194,000. It should be remembered, he added, that a fall of exchange tends in itself to increase revenue, presumably by stimulating the export of our Indian produce, and therefore the receipts of our railways.

76. Since Mr. Westland gave his evidence, the estimate of the exchange has fallen, not one, but two farthings, a sum equivalent, at his calculation, to £440,000, or more than the first year's annual increase which he estimated. There has also been added, as above explained, to the original scheme of the Government of India, an estimate of £5,200,000 for frontier railways, necessitating large grants from revenue; so that on the one hand our requirements have considerably increased, while, on the other, the annual estimated increase of surplus has, for the present year, been absorbed. Should exchange remain stationary, and by the revival of trade and the normal expansion of our revenues, should the annual increment

Effect on Indian revenues of railway proposals subsequent to those submitted to the Parliamentary Committee, and of the fall in exchange.

of the surplus which in the calculation above referred to was anticipated, be realised, our position at the commencement of the ensuing year will be certainly stronger than at present; but if we are further to obtain the indirect benefit from the late fall of exchange which is shadowed in Mr. Westland's remarks, it will be necessary that the price of wheat should so far rise in Europe as to stimulate a return of activity in the export of our wheat, and in the operations of our railways. Should we, on the other hand, be compelled to take, on our estimates, a lower rate of exchange than 1*s.* 7*d.*, and should the stagnation of our export and our rice trade continue, the normal surplus indicated in Mr. Westland's calculations, let alone any possible annual increase thereto, will be matter of extreme doubtfulness. The above calculations, moreover, assume that in other respects the administration of the country will call for no considerably greater expenditure than that which at present is regarded as our normal expenditure. How far this assumption may be verified it is at present impossible to conjecture. We have since judged it necessary, for example, to add to our revenue grants for railway and other capital expenditure. To the criticism that will naturally be made that if, in one direction, increased expenditure is forced upon the Government of India, it should seek to restore the balance by economies in other quarters, the answer must be made that, in urging upon the authorities in England the economies resulting from a study of the Report of the Army Commission, the Government of India, though unhappily with but little success, did, in fact, adopt the course above indicated. The reasonableness and the expediency of its recommendations become more evident at a time when, in regard to the very Military estimates which already weigh so heavily on our resources, there are grounds for apprehending fresh demands for further increase. Apart from this, however, it requires perhaps to be again pointed out that under the system of Provincial contracts in which the several provinces have assigned to them for a term fixed charges and corresponding revenue, there are but few branches of expenditure reserved to the Government of India over which it exercises undivided control. It may, in a time of calamity, insist on temporary reductions; but it would be against the whole spirit of its arrangements, if it sought to acquire for itself increased resources during the term of contract at the expense of the revenues assigned to the Provinces, unless in case of pressing necessity. Such as are the sources of expenditure within the Government of India's direct control, they are of a nature which renders reduction peculiarly difficult; as, like the Post Office and the Telegraphs, they grow with the growth of the necessary requirements of the country, or with the extension of our Railway system; or, like the Mint, are almost beyond the power of Government to check, depending as they do on the ebb and flow of the precious metals; or are, finally, as in the case of works of irrigation or Protective Railways, essential to success in that vital struggle against famine and the financial losses which famine entail to which the Government of India is deliberately committed. What I have now said will, I think, be sufficient to shew that while in circumstances such as those which at this moment exist, and in spite of the recent heavy fall in exchange, there may be no reason to apprehend in the immediate future any insufficiency of our resources as estimated on the basis of the reforms introduced by Sir John Strachey and Sir Evelyn Baring, it would be more than hazardous to affirm that, in view of the possibilities threatening us at the commencement of 1885-86, there is at present no cause for anxiety. The Government of India is constantly called upon to entertain projects of various kinds, tending to reduction of taxation. No one is more anxious than I am to equalise the burden of taxation, and especially to lighten it on the classes—unhappily the large majority in this country—to whom taxation, however light, is necessarily onerous; but we are compelled, both from the necessities and the advantages of our position, to take in the whole financial

horizon, and if difficulties present themselves to us which are invisible to a more restricted survey, we can but deplore, while admitting in the abstract the cogency of much that is urged upon us, our inability to meet the views pressed upon our consideration. We have, indeed, during the present year, as in paragraph 2 of my last year's Statement I promised, taken the question of Court-fees into consideration, and we have consulted the several Local Governments as to modification in the Court-fee duties. We are not yet in possession of all their replies, but it is obvious that when, in the course of the ensuing year, we take up the subject for disposal, we shall have to give weight not only to the merits of this particular question, but to its relation to taxation of other kinds. We shall have, moreover, to consider this, and kindred proposals, in their relation to the necessities of our position, should there be reason to apprehend that we may be called upon to provide upon our estimates for considerably reduced assets resulting from further loss by exchange, or for consideraby increased expenditure. I can at present in no way indicate what our position on this important point is likely to be; it is one of the objects of this Statement to place before the public the materials for forming such an opinion as can be at present formed, so that it may frame its own conclusions; but I think it will at least be apparent, from what I have said, that when we are simultaneously called upon by one to lower the scale of our Court-fees, by another to abolish the License Tax, by a third to abolish the Export Duties upon rice, we cannot but feel that these representations are made without adequate information as to their probable effect on the budgetary equilibrium of the country. I hope that the remarks which I have recorded above, and those which in the course of this Statement I shall have to make, will in some degree assist the public to understand what are the difficulties which await us in dealing with suggestions for reduction of taxation, or even for such redistribution of taxation as sacrifices on the whole any proportion of the resources now at our command. In the course of the ensuing year the final conclusions to be adopted on the Report of the Parliamentary Committee will have been settled. During the course of 1885-86 it may be expected that on the one hand we shall be in a better position to judge as to the prospects of a return of our hitherto active export trade, and of our position in regard to exchange, and on the other, to estimate the full amount of the liabilities which are likely to be entailed by the prosecution of our Railway schemes, as well as to gauge the pressure of exigencies, the final outcome of which it is not at present possible correctly to estimate.

Financial relations of the Government of India with the Provincial Governments and Administrations.

77. While treating of the subject which has been dealt with in the above remarks, it is desirable that I should add a few words in regard to the financial relations of the Government of India with the several Local Governments and Administrations, as regulated by the terms of the Provincial contracts. It was not to be expected that a series of arrangements based, at the best, on the experience of comparatively few years, and on conditions on the whole so uncertain as those which surround the financial administration of India, should have presented no points to criticism, or offered no unforeseen difficulties. All allowance made, however, it may be confidently stated that the several Provincial contracts which are now entering on the fourth year of their quinquennial term, have proved to be equitable, and to have been founded upon calculations which leave the Governments severally concerned a margin of revenue over expenditure sufficient for their wants. The balances temporarily held by the Local Governments during the Afghan War were repaid them, in the course of the year 1881-82, to the amount of £670,000, as explained in my last Financial Statement. In some cases the existence of these balances has led the local authorities to embark upon a scale of expenditure which, as the balances approached exhaustion, it has been found impossible to maintain; and it is conceivable that the

Provincial finances would have been, on the whole, conducted with greater economy had there not occurred to them this windfall, bringing with it almost inevitably an inducement to increased expenditure in view of the various wants and necessities which never fail to be urged on the several Governments and Administrations. It was mainly with the object of guarding against the possible effects of too sanguine a view of its resources, which the existence of these balances was likely to encourage, that the Government of India, under instructions from the Secretary of State, fixed the minimum of balances for each province indicated in paragraph 109 of last year's Financial Statement. This element of risk notwithstanding, however, the system inaugurated by Lord Mayo, which has now fully taken root and become part of our system of local administration in India, has continued during the last three years to work greatly to the advantage of the several Governments who share in it. Friction has been reduced to a minimum; and if, as was inevitable, questions have from time to time arisen regarding the amount of assistance to be afforded by the Government of India to this or that Local Government in regard to some particular project or some reform involving an increased outlay of funds, they have given evidence of the existence of a spirit of mutual concession, which is in marked contrast to the relations existing in former times between the Supreme and the Provincial Governments under the centralised system of finance. In a few instances the Government of India, in view of its inability to concede all the assistance asked for, or to approve of the reduction of the balances to a sum lower than the amount settled in 1883, has found itself compelled, however reluctantly, to desire that the scale of expenditure should be reduced below the limits which in the opinion of the Local Government or Administration, although inconsistent with the maintenance of its balances, were advisable; or although not wholly refusing to contribute from our own resources to the urgent necessities placed before us, we have been unable to assent to the arguments presented for our consideration,—arguments having for their object such addition to the revenues placed at the disposal of the local authorities as must virtually have led to a revision of the terms of the contract into which, on behalf of their administration, they had entered. The considerations which I have exposed in the preceding pages will, I think, be held to have justified the rule of conduct adopted in these circumstances by the Government of India. They will show that if local authorities find themselves pressed occasionally to meet the expenditure which, in their reasonable desire for improvement, they consider essential, the Government of India has also burdens of its own to bear, which compel it to insist jealously on the maintenance of the relations into which it has entered with them, and which forbid it, even were such a course desirable, to entertain proposals having for their aim a review or revision of the arrangements completed in 1882-83. Nothing can be more true than what my predecessor in his Financial Statement for 1883-84 wrote—

"The contracts have not been made in any illiberal spirit. . . . . Under these circumstances the Provincial Government must look solely to the gradual development of their own resources, and to economy in their own administration, to provide whatever further funds may be required for services classed as Provincial. . . . . It may be, and probably is, the case that in almost every Province of India the funds available are not commensurate with the work which sooner or later will require to be done. This is the normal condition of a country whose necessities are great, while the tax-paying power of its population is small. Under these circumstances, progress in many directions will possibly be comparatively slow; and it is inevitable, under all the conditions of Indian Government, that it should be slow. But what I particularly wish to point out is that the Government of India cannot at present make any further grants from Imperial funds in order to ensure more rapid progress. Indeed in some respects it may be said that the Provincial Governments are in a better position to provide whatever funds may be required than is the case with the

Imperial Government. For the reasons which I have already given an element of stability is imported into Provincial Finance which Imperial Finance cannot at present possess. Not only do the three* points to which I have alluded constitute dangers which are wholly borne by the Imperial Government of India—not only does the fourth danger (famine) materially affect Imperial as well as Provincial Finance, but if any further fiscal reforms are to be made—and there are several which it would be very desirable to make—any loss of money which may accrue from their execution must be borne by the Imperial Treasury.

78. In the economies which the Government of India is itself compelled to exercise will be found, in fact, the justification of its insistence on an economical administration elsewhere; while the uncertainty to which its own sources of supply are subject, no less than its liability to be called upon at one and the same time for increased expenditure in various different directions, compel it to entertain with the utmost reluctance proposals having for their object any further alienation, during the term of the contracts or afterwards, of however small a portion of its own revenues. In my opinion this necessity is not without its advantages; for so long as it may be hoped that the Government of India is in a position to offer further resources, the expectation that it will do so when a sufficient case is put before it, will continue to be entertained. Nothing is more likely to encourage a prudent and economical treatment of their finances by the Provincial Governments than a clear understanding, such as I have endeavoured to convey, as to the position of the central Government itself. As I have already indicated, these remarks, so far as they refer to applications for assistance, must not be held to have any general application to the provincial authorities viewed as a whole; for the Government of India has, on the contrary, just cause to be grateful to them for the judgment with which they have husbanded their resources, and the economy with which their affairs are conducted. Nor, even in the instances which I have more specially in mind in making these remarks, have I the desire to convey the idea that there has been, in the management of local finances, any but the most loyal wish to improve the position of the Province, or to make any criticism other than that this wish has in those cases led to an inclination to work on the lines of the contract with a degree of energy which was beyond the bounds of prudence. My object is rather to explain that, while I am aware that in one or two instances the revenues assigned to the local authorities may have been found to have been less favourable than in the majority of cases, this fact alone, when the circumstances of the Government of India itself are taken, as they must be, into consideration, is not sufficient ground to justify us in acceding to the grant of increased revenues, or in admitting further liability which in truth we are not in a position to assume. If there is one thing more important than another in the conduct of Indian finance, it is that the Government of India, which is always at the best surrounded by uncertainties, should at least have the certainty that for a term of years it has settled its relations with the Local Governments. That is the only condition on which it can with confidence examine its own position, and ascertain the adequacy or otherwise of the resources at its own disposal. This consideration (which I may take this opportunity of saying is, to my mind, all important) must especially be adopted as the guiding principle of our financial administration at a moment when the difficulties which I have been treating of are assuming greater proportions; and when a fall in the exchange, which a few years ago would have been looked upon as absolute ruin to our finances, and which, in truth, is a burden greater than they can continue to bear, is to be met and provided for, concurrently with a stagnation in trade, and the necessities imposed on us by the deliberate resolve to incur, for the protection of our people from famine, and for the greater security of our frontiers, very considerably increased expenditure.

The Government of India compelled to adhere strictly to the terms of the Provincial contracts.

* NOTE.—War—Opium—Exchange.

Decrease in Customs duties in 1885-86.

79. I pass now to the second of the three heads which I have indicated in paragraph 73, namely, the effect upon our estimates of the present stagnation in the rice trade. As I have already dwelt at some length on the prospect of this trade so far as they are at present known to me, I think it will be sufficient to give here a few figures which will show at a glance what is the sacrifice of revenue to which, until that trade returns, we must be content to submit. The receipts from our customs in the Budget Estimates, the Accounts, and the Revised Estimates of the years 1882-83, 1883-84, 1884-85, and 1885-86, have been severally as follows :—

	Budget Estimates.	Accounts.	Revised Estimates.
	£	£	£
1882-83 . .	1,181,000	1,296,119	
1883-84 . .	1,255,100	1,187,266	
1884-85 . .	1,289,500		1,030,000
1885-86 . .	1,175,000		

It will be seen from these figures that in the 1884-85 Revised Estimates there has been taken a figure lower by £151,500 than any hitherto shewn, whether in the Budget or in the Accounts; while, although in the estimate of the ensuing year we have thought ourselves justified in adding considerably to the Revised Estimates of 1884-85, believing the depression of the rice trade to be at its lowest, the figure we have taken is below any which, whether in the Budget or the Accounts of previous years, has hitherto been shewn.

80. I come now to the third of the four points indicated in paragraph 73 as constituting the main features of the coming year, namely *Exchange*. A glance at the following figures, which give the annual result of exchange in transactions with London during the years 1871-72 to 1883-84, with the Revised Estimate of 1884-85 and the estimates of 1885-86, will convey some notion of the burden imposed on our finances by this growing difficulty, and will show what a monstrous cautle exchange cuts out from the resources at our command.

Loss by exchange.

Year.	Loss by exchange.	Average rate of Secretary of State's Bills.
	£	s. d.
1871-72	428,920	1—11·12
1872-73	691,287	1—10·81
1873-74	879,411	1—10·35
1874-75	785,820	1—10·22
1875-76	1,355,861	1— 9·64
1876-77	2,059,311	1— 8·49
1877-78	1,554,922	1— 8·79
1878-79	3,225,831	1— 7·76
1879-80	2,926,403	1— 8·
1880-81	2,716,809	1— 7·95
1881-82	3,556,700	1— 7·89
1882-83	3,081,433	1— 7·52
1883-84	3,838,756	1— 7·54
1884-85 Revised Estimate	3,252,900	1— 7·3
1885-86 Budget „	3,573,600	1— 7·

81. It is explained, in the course of this Statement, why the loss by exchange in 1884-85 and again in 1885-86 is apparently less than in some of the previous years, namely, that the Secretary of State has been able to furnish himself with funds in England which assisted in keeping down the total amount of his bills. But for this, in the ensuing year 1885-86, we should have had to estimate for loss by exchange at a figure certainly not less than £4,000,000. Unless exchange improves during ensuing years, we must regard ourselves as liable to have to

make provision upon our Budgets for an item of little less than four millions in excess of that which at the commencement of the last decade we were called upon to meet. The highest point reached by the Secretary of State's bills and telegraphic transfers during 1884-85 has been 19·85 in May last, and the lowest 18·92 in February. I append a table shewing the bills drawn each month, with the concurrent produce in sterling, and the rate of exchange, as well as the amount drawn on telegraphic transfers, the sterling equivalent, and the rate at which they were obtained.

Result of Secretary of State's drawings during 1884-85.

	1884-85.					
	Bills.	Produce in sterling.	Rate of exchange.	Telegraphic Transfers.	Produce in sterling.	Rate of exchange.
	₹	£	*d.*	₹	£	*d.*
April	4,79,000	39,234	19·65	2,04,60,000	1,686,946	19·78
May	10,59,000	87,004	19·71	1,44,41,500	1,195,370	19·86
June	16,05,500	138,070	19·54	88,14,000	723,080	19·68
July	68,99,000	560,991	19·51	97,95,000	798,625	19·56
August	33,82,500	274,844	19·50	24,25,000	197,559	19·55
September	21,46,000	174,363	19·50	15,00,000	121,880	19·50
October	34,56,000	278,671	19·35	41,00,000	332,109	19·44
November	92,25,000	734,332	19·10	45,75,000	365,078	19·15
December	1,09,09,000	855,237	18·85	32,75,000	260,511	19·09
January	1,39,96,000	1,112,948	19·08	54,70,000	435,205	19·09
February	1,51,31,000	1,191,116	18·89	40,90,000	324,383	19·03
		(11 months.)				
TOTAL	6,83,78,000	5,456,816	19·15	7,89,45,500	6,440,754	19·58

82. Since June last, when the rate began to decline, there has been no prospect of recovery. The time is probably approaching when this question of the fall in the value of silver will come more prominently before public attention. The policy of the President of the United States in favour of a temporary suspension of the coinage of silver has been unequivocably pronounced; and although there exists considerable doubt as to how far that policy will be endorsed by the American Legislature, the uncertainty which for the present must continue to hang over the question will maintain the depression of exchange. In the next place, the Conference of the Latin Convention is about to meet, and on the measures taken in consequence of the deliberations of the Conference, the immediate future of silver must greatly depend. Speculation on the subject in a Statement of this nature would be idle; but there seems no reason to hope that we have as yet seen the worst of our difficulties under the head of exchange; and if causes which are operating unfavourably to it, whether connected with trade or with the decision which may be taken by the Latin Convention or the American Legislature, are accentuated, it seems clear that the Government of India, unless it is able to obtain the attention of other Governments to its own views upon the question, may be called upon shortly to choose between deficit, or measures involving some degree of increase in taxation.

Critical position of silver.

83. The fourth and last item to which I have drawn attention in paragraph 73 is the grant of £500,000 for our railways, provided especially with a view to assistance in so much of our contemplated expenditure as is connected with the improvement of our frontier communications. It has always been hitherto the policy of the Government of India to meet demands of this nature, so far as they can be met, from its revenue: revenue failing, the Government of India is prepared to have recourse to borrowing. The remarks made by Sir John Strachey in paragraph 49 of his Financial Statement for 1880-81, express so entirely and succinctly my own opinion on this subject, that I may be allowed to quote them here. He says,—

Grant from Revenues for railways.

"The reasons for which it is right to provide for the charges of the war out of current income apply equally, and indeed with greater force, to the charges for the frontier railways.

Although they will permanently benefit the country, it is plain that we could not construct them with borrowed money on the grounds on which we borrow for productive public works, and that their cost must be included among our ordinary charges. If, however, we could not have paid for them out of our ordinary revenue, it would have been quite right to borrow for their construction. I should have said this because the works are absolutely necessary, and because the political and financial evils of borrowing would be less serious than those involved by fresh taxation. I should not have defended borrowing for these railways on the ground that they will benefit posterity as well as the present generation. That is a matter about which I know nothing; but I know that posterity will have quite enough to do in bearing its own burdens."

Grants from Revenue for Harbour Defences.

84. The amount of the annual grant from revenue must in future obviously depend on the annual condition of our finances. All that I can say at present is that for my own part I am extremely desirous to devote as much as possible from revenue to the construction of railways, of which the portion which concerns our frontier communications must remain in great part unproductive. To the same class of grants belongs the item of £15,000, which we have devoted to the improvement of the defences of Aden; and a further item of £70,000 which we have placed at the disposal of the Military Department as a first instalment to be expended in the defence of our harbours. That we should have been able, in spite of the second and third of the four considerations which I have enumerated in paragraph 74, to make these additional grants, is evidence of the elastic nature of our revenues; but in view to all that has been said as to our financial prospects, I should be sorry to commit myself to an assurance that our revenues will continue to permit us to devote as much annually to the completion of the several works indicated, although no effort will be spared to enable this to be done. Meanwhile the following figures shew what has been the State or Guaranteed expenditure under the Revised Estimate in 1884-85, and what are our estimates for 1885-86. The Budget Estimate for 1884-85 was ₹6,59,19,000 only; being ₹73,44,100 less than the Revised Estimate of that year, which, again, is ₹1,96,87,100 in excess of the Revised Estimate of 1883-84. The difference between the Revised Estimates of 1883-84 and the Budget Estimate of 1885-86 is therefore no less than £2,701,100 conventional sterling.

Expenditure on Railways during 1884-85 and 1885-86 on State responsibility.

	Revised Estimate, 1884-85.	Budget Estimate, 1885-86.
(1) *Directly expended by Government*—	₹	₹
Charged to Loan	3,08,06,000	2,76,62,000
Ordinary State Railways	*8,05,000	†29,38,000
Charged to Protective Grant	89,81,000	50,00,000
East Indian Railway (excluding converted annuities)	29,50,000	34,00,000
Eastern Bengal Railway (excluding debentures)	9,30,000	28,00,000
Charged under Frontier Railways	13,87,000	50,00,000
TOTAL	4,58,59,000	4,68,00,000
(2) *Expenditure by Companies on the responsibility of Government*—		
Guaranteed Railways	1,31,11,000	1,73,19,000
Southern Mahratta Railway	1,19,87,600	1,64,68,000
TOTAL	2,50,98,600	3,37,87,000
GRAND TOTAL	7,09,57,600	8,05,87,000

* Excluding expenditure on Surveys and miscellaneous charges, amounting to ₹11,06,500.
† Ditto Ditto Ditto ₹10,42,000.

Explanation of details of difference between Revised Estimate, 1884-85, and Budget Estimate, 1885-86.

85. I think I have given now such a general view of the situation as it presents itself to us in making our estimates for the ensuing year, that it will be unnecessary to dwell further on the subject taken as a whole, and I may pass to the detailed explanations which it is usual to embody in the Budget Statement with regard to the increases and decreases under specific heads. I shall endeavour to make these as short as possible, and indeed, it seems to me that the custom of marshalling these figures in the body of this Statement, is one which, with exception, perhaps, as to figures treating of subjects of unusual interest, will in future be more honoured in the breach than in the observance. Where the amount of increase or decrease is less than £10,000, no explanation will be offered in the following remarks.

Principal Heads of Revenue.

86. *Land Revenue* (*I*); Increase, £787,900. Compared with the Revised, the Budget Estimate for 1885-86 shews an increase of £787,900, made up chiefly of £25,400 under British Burmah, £76,900 Punjab, £407,700 Madras, and £270,000 Bombay.

In the case of Burmah increased revenue is expected from capitation tax and from other miscellaneous sources. In the Punjab the increase is due to collection of revenue in suspense, and to revision of settlements. In Bombay and Madras the increase arises to a considerable extent from arrears of collections, suspended owing to the partial failure of crops in 1884-85.

87. *Opium* (*II*); Increase, £175,500; due to the expected recovery of our opium revenue from the depression of 1884-85. Of this net difference, an increase of £236,800 occurs under Bengal, and a decrease of £59,400 under Bombay. The number of chests to be sold in the calendar year 1885 is 49,992; due notice will be given of the amount which it is proposed to sell in the year 1886. The price taken for 1885-86 is rather less than 1,250 per chest, the average of the year 1884-85 having been 1,296. The Malwa opium scheme introduced, as explained in last year's Statement, by Mr. H. Rivett-Carnac, continues to work satisfactorily; 2,500 maunds at 90° consistence will be bought this year, against 2,268 in 1884-85.

88. *Salt* (*III*); Increase, £50,000.—The Budget for 1885-86 shews an improvement over the Revised of 1884-85 of £50,000. This difference is arrived at as shewn below:—

	Increase.	Decrease.
	£	£
Burmah	...	8,500
Bengal	...	30,000
Madras	88,500	...
	88,500	38,500
Net increase .	50,000	

With regard to Burmah it is expected that the large stock that will be laid in, in 1884-85, will render replenishment on an extensive scale unnecessary in 1885-86, and that in that year local manufacture will remain stationary. Hence the reduction in revenue.

In the case of Bengal it is thought better not to place the Budget at as high a figure as the Revised Estimate.

With regard to Madras the larger estimate for 1885-86 is based principally on an anticipated increase of sales of East Coast salt, and on an anticipated increase of consumption generally.

89. *Stamps* (*IV*); Increase, £55,400. The increase occurs chiefly in Bengal and in the North-Western Provinces and Oudh. In Bengal it is due to an

expected increase in revenue resulting from the passing of the Bill for the registration of permanent tenures. In the North-Western Provinces and Oudh it is due to the transfer to this head from Land Revenue and Law and Justice of Revenue Record Fund and Criminal Record Fund receipts, which used to be received in cash, but which are now recovered in stamps. In the Punjab, allowance has been made for the further progress in revenue of which the actuals of past years justify the expectation in 1885-86.

90. *Excise* (*V*); Increase, £56,500. This occurs mainly in Madras, where it is anticipated that Toddy farms and Arrack farms in rented districts will yield an augmented revenue.

91. *Provincial Rates* (*VI*); Increase, £62,900.

In the Central Provinces an improvement of £6,800 is expected from the Patwari cess, being the result of administrative reforms that are in progress. In Assam the revenue will, it is anticipated, yield £13,000 more, because of the rates being doubled in Sylhet. Slight increases are also expected in districts where there are waste land grants.

In the North-Western Provinces, owing to a re-arrangement in the Village Watch circles, and to an increase in the number of watchmen in Oudh, higher revenue is expected in 1885-86. Madras and Bombay shew an improvement of £22,500 and £14,200, respectively. As these rates are raised from land, they are affected in the same way, and, generally, to the same extent, as receipts under Land Revenue. The remarks made under "I. Land Revenue" at paragraph 86 against Madras and Bombay apply also to the head Provincial rates.

92. *Customs* (*VII*); An improvement in trade is expected to yield an increase of £145,000, compared with the Revised Estimate. The Revised Estimate of 1884-85 was however taken at a figure considerably below the Budget of that year.

93. *Forest* (*IX*); Increase, £78,700. The increase may be ascribed generally to expected increased demand for timber, and to the development of timber operations.

Post Office, Telegraph, and Mint.

94. *Post Office* (*XII*); Increase, £41,300. This is due to an anticipated increase in the sale of ordinary postage stamps, and to an expected increase in receipts on account of Money Orders, the growth of the revenue under both heads justifying the advance in the estimates.

95. *Mint* (*XIV*); Decrease, £39,000. This is a very uncertain head, and difficult to estimate. A reduction of £39,000 is made because it is not considered safe to expect that silver to the same extent will be coined in 1885-86 as in 1884-85.

Receipts by Civil Departments.

96. *Law and Justice* (*XV*); Increase, £31,200. This head shews an improvement of £31,200 compared with the Revised. Nearly the whole of the increase occurs under Bengal and the North-Western Provinces and Oudh, where larger receipts are expected from sale of Jail manufactures and from the hire of convicts.

97. *Interest* (*XXI*); Decrease, £31,000. Of this £23,100 occurs in England and £7,900 in India. In 1884-85, owing to the favourable state of the money market, the loan of £3,000,000 required for the discharge of debentures in August was issued in England in May, and during the interval the available portion of the abnormally swollen cash balance was invested on terms which were at the time unusually favourable. For 1885-86 only normal receipts have been estimated for. The decrease in India occurs in interest on overdrawals of Railway capital.

98. *Receipts in aid of superannuations, &c.* (*XXII*). The increase is £51,000, and is almost entirely due to credits of subscriptions towards the Bengal

Civil Fund. No final arrangement for the taking over of this Fund has yet been made, but the question is being considered, and the contingency is provided for in the Estimates.

Miscellaneous.

99. *Miscellaneous (XXIV)*; Decrease, £48,900. This is an uncertain head, and one for which it is difficult to make an estimate a year in advance. In preparing the Revised Estimate of 1884-85 it was found that certain receipts which were expected to fall in would justify the Budget of that year being raised by £63,300. It is not considered safe at present, however, to put the Budget figure of 1885-86 at more than £14,400 above the Budget figure of 1884-85.

Revenue from Productive Public Works.

100. *State Railways (Gross Earnings) XXV.* The Budget Estimate of 1885-86 provides for an improvemet of £682,100 compared with the Revised Estimate of 1884-85. This improvement is in large part nominal, being indebted for £300,000 to the inclusion of the Sindh, Punjab, and Delhi under State Railways for the last quarter of the year. The main results are:—

	Increase.	Decrease.
	£	£
Rajputana-Malwa	172,500	...
Umeria Colliery	13,700	...
Nagpur and Chhattisgarh	10,000	...
Burma	60,000	...
Eastern Bengal	110,000	...
Tirhoot	12,000	...
Naraingunge-Dacca-Mymensingh	18,500	...
Cawnpore-Achneyra	25,000	...
Indus Valley	...	45,000
Sindh, Punjab, and Delhi	300,000	...

Rajputana-Malwa State Railway.—The Budget Estimate for 1885-86, £1,475,000, includes the estimated earnings of the Rewari-Ferozepore State Railway, hitherto shewn under the non-productive head of Account, XXIX. State Railways. The inclusion in the present estimate of the transactions of this line explains the large difference between the Revised Estimate for 1884-85 and Budget Estimate for 1885-86. A small improvement in the traffic has also been allowed for.

Umeria Colliery.—No provision was made in 1884-85. But it is expected that the colliery will earn £13,700 during 1885-86.

Nagpur and Chhattisgarh State Railway.—An increase of £12,500 is allowed for during 1885-86, owing to the better prospects of the grain traffic.

Burma State Railways.—The Budget Estimate for 1885-86 is placed at £60,000 higher than the Revised Estimate for 1884-85, owing to an additional length of 81 miles on the Sittang Railway expected to be opened for traffic on the 1st April next, as well as to provide for development of traffic generally.

Eastern Bengal State Railway.—An increase of £110,000 is provided for during 1885-86. A full year's earnings will accrue instead of the transactions of nine months only. The prospects of the traffic next year are good, and it is hoped that the estimate will be fully realised.

Tirhoot State Railway.—The Budget Estimate provides for an increase of £12,000 during 1885-86, which, it is believed, will be realised, as the Hajeepore extension will be opened for the whole twelve months, against five months in 1884-85. Moreover a further short length of line is likely to be opened during the year.

Naraingunge-Dacca-Mymensingh Railway.—An improvement of £18,500 is provided for during 1885-86 owing to an additional length of 75·62 miles expected to be opened about 1st August next.

Cawnpore-Achneyra State Railway.—The Budget Estimate for 1885-86 provides for an increase of £25,000. This will, in all probability, be realised, as in the previous year the Farakhabad-Hathras and Jumna Bridge sections were only opened from the 1st July 1884, or for nine months of the year only, while in 1885-86 a whole year's earnings of these sections are provided for.

Indus Valley State Railway.—The line altogether is doing remarkable well, and judging from present prospects, the Revised Estimate is placed at £705,000. This figure, it is believed, will be fully realized. It is not considered advisable, at present, owing to the uncertainty of the wheat traffic, to place the receipts of 1885-86 at a higher figure than £660,000.

Sindh, Punjab, and Delhi Railway.—The Budget Estimate for 1885-86 provides for the estimated earnings of the last quarter of that official year under *State Railways.*

East Indian Railway (gross earnings). The Budget Estimate for 1885-86 provides for an improvement of £280,000 on the Revised Estimates. It is believed that to this extent trade will revive during next year. The estimate, it will be observed, is £300,000 less than the Budget Estimate of 1884-85.

101. *Guaranteed Railways (net traffic receipts) (XXVI).* This head shows a decrease of £14,000. Excluding the Eastern Bengal Railway, which became a State Railway from the 1st July 1884, and under which a net issue of £1,300 was provided in the Revised Estimate of 1884-85, the rest of the differences are given below :—

	Increase.	Decrease.
	£	£
Madras Railway	...	25,000
South Indian Railway	25,000	...
Bombay, Baroda, and Central India Railway .	30,000	...
Oudh and Rohilkhund Railway . . .	45,000	...
Sind, Punjab, and Delhi Railway . . .	...	70,000
Great Indian Peninsula Railway . . .	...	20,000

Madras Railway.—The Budget Estimate for 1885-86 is £25,000 worse than the Revised Estimate for 1884-85. The receipts during 1885-86 are entered at the same figure as the Revised Estimate. The expenses, however, are placed at £25,000 more than in the Revised Estimate.

South Indian Railway.—An improvement of £30,000 has been provided for in the Budget Estimate. The estimates for 1885-86 place the gross revenue at £20,000 more than the Revised Estimate which, there is every reason to believe, will be realised, as the traffic is steadily improving. Heavy expenditure in connection with the restoration of the bridges and works damaged by the floods of this year will have to be met in 1885-86.

Bombay, Baroda, and Central India Railway.—In the Budget Estimate for 1885-86, an increase of £30,000 is provided for, as compared with the Revised Estimate for 1884-85. This is due to the additional traffic expected.

Oudh and Rohilkhund Railway.—An improvement in the traffic may reasonably be looked for during 1885-86, and an additional length of line will, it is expected, be opened for traffic during the year. The Budget Estimate shews a net improvement of £45,000 compared with the Revised Estimate of 1884-85.

Sind, Punjab, and Delhi Railway.—The Budget Estimate provides for the transactions of the first nine months of the official year only, *viz.*, from 1st April to 31st December 1885. As the line will very probably be taken up by Government on the 1st January 1886, the transactions for the remainder of the year are allowed for under *State Railways;* and hence a decrease £70,000 compared with the Revised Estimate for 1884-85. The figures entered in the Budget are normal, and do not call for any special remark.

102. *Irrigation and Navigation* (*Direct Receipts*) (*XXXI*). The Budget Estimate for 1885-86 shews a decrease of £173,400 compared with the Revised Estimate for 1884-85 :—

	Increase.	Decrease.
	£	£
Punjab	...	13,100
Madras	300	...
Bombay	1,300	...
Bengal	...	...
North-Western Provinces and Oudh	...	161,900
Total	1,600	175,000
	173,400	

The decrease in the Punjab is the net result of a reduction in the estimated receipts by Civil Officers on account of owner's rates on the Western Jumna Canal, counterbalanced to some extent by increase in revenue due to the opening of the Chenab Canal, and of increased irrigation and better rabbi crops expected from the operations of the Bari Doab and Sirhind Canals.

The small increase of £300 in Madras is due chiefly to the increased revenue expected from the Kurnool Canal.

The expected increase in Bombay is due chiefly to anticipated realisation of arrears of previous years on account of certain Canals; to expectation of a sufficient supply of water in the Hathmati Canal; and to extension as well as to the probable increase in the water-supply from the canal furnishing the town of Poona.

The decrease of £161,900 in the North-Western Provinces and Oudh is the result of the failure of the Nadrai Aqueduct, Lower Ganges Canal, as until such time as the new works are completed, only about half the required supply can be passed down from the head works at Narora.

103. *State Railways* (*XXIX*). The Budget Estimate for 1885-86 shews a decrease of £85,900 as compared with the Revised Estimate for 1884-85, and consists mainly of an item of £87,500, decrease in the Rewari-Ferozepore State Railway. No provision has been made in 1885-86 for this railway, because the estimated earnings of the line for that year are included in those of the Rajputana-Malwa State Railway, under "XXV. State Railways." *Public Works not classed as Productive.*

104. *Subsidised Railways* (*XXX*) Southern Mahratta Railway. The Budget Estimate for 1885-86 provides for an improvement of £67,500, because the line now open will be worked for 12 months, and an additional length of 103 miles will, it is expected, be opened early in April.

105. *Civil Buildings, Roads and Services* (*XXXIII*). The Budget Estimate for 1885-86 shews a decrease of £68,600. Nearly the whole of the decrease occurs under India, General, and under Bengal. In the case of the former the Revised Estimate of 1884-85 contains an abnormal receipt of £23,100 on account of arrears of previous year's contributions for roads in Scindia's territory realised in 1884-85. With regard to Bengal, where the decrease is £41,300, the Revised Estimate for 1884-85 provides for an abnormal receipt of £46,000 realised from the East Indian Railway Company on account of the value of Railway Offices in Fairlie Place, Calcutta. The remainder of the decrease in Bengal is due to an expected decline in ferry receipts.

Expenditure.

Interest.

106. *Interest on ordinary debt, 1885-86*; (1) Decrease, £388,200. This arises as follows :—

	£
England	166,000
India	222,200
TOTAL	388,200

The saving in England would have been more but for a provision of £69,000 on account of interest on the loan to be raised in England in 1885-86. The decrease in England is accounted for by the absence of provision on account

of discount which had to be paid in 1884-85 on the three million 3 per cent. stock raised in that year. In 1885-86 £90,000 have been provided representing interest on the 3 per cent. India stock issued in 1884-85 and for which only £67,500 were provided in that year. On the other hand decreases occur under interest on Temporary Loans and Debentures, the former owing to repayment of the loan, and the latter to the conversion of the 4 per cent. Debentures, amounting to 5 millions, into 3½ per cent. Debentures.

The decrease in India amounts to £222,200, and is due principally to the transfer of capital from the ordinary to the productive portion of the Account, on account of the capital expenditure on State Railways and Irrigation.

107. *Interest on other obligations*; Decrease £63,400. Of this £62,600 occur in India and £800 in England. In India a saving £84,000 arises out of new arrangements with the Bengal Civil Fund, and an increased charge of over £20,000 for interest on Savings Bank Balances.

108. *Assignments and Compensations* (*4*); Increase, £16,400. This occurs principally in Bombay, where provision has been made for the award of compensation to be paid for the closing of salt works in Goa.

Direct demands on the Revenues.

109. *Opium* (*6*); Decrease, £468,300. The Revised Estimate for 1884-85 includes a provision of £593,600 in excess of the Original Estimate chiefly because of the exceptionally heavy outturn of the opium crop of 1883-84. The estimate of 1885-86 has been fixed for a smaller outturn.

110. *Salt* (*7*); Increase, £32,700. The increase occurs chiefly under India (General), and Bombay and is due to increased provision on account of establishments, salt purchase, and freight.

111. *Excise* (*9*); Increase, £20,100. The increase is general, but in Bengal an excess of £10,300 has been provided to give effect to the recommendations of the Excise Commission.

112. *Forest* (*13*); Increase, £28,100. The increase is general and occurs in all but the North-Western Provinces and Oudh, where there is a decrease of £21,900 on account of charges for the Collection of Timber.

Post Office, Telegraph, and Mint.

113. *Post Office* (*15*); Increase, £35,100. The increase occurs chiefly in the "conveyance of mails" and is partly due to larger provision on account of the pay of overseers, runners, &c., for the Road establishments.

114. *Telegraph* (*16*); Increase, £51,300. The increase occurs principally in England, £33,900. The increase is due to a larger amount of stores being necessary to meet the growing requirements of the Department.

Salaries and Expenses of Civil Departments.

115. *Law and Justice* (*19*); Increase, £145,600. The increase is general, and occurs in all the provinces of British India. The increase in Bengal amounts to £49,300, and is chiefly due to the appointment of three new Judges to the High Court and to expected increased outlay on raw material, &c., for Jail manufactures. The increase in the North-Western Provinces and Oudh, amounting to £22,100, is chiefly due to the formation of a separate office for the Legal Remembrancer; to the transfer of Distrainers (Kurk Amins) charges to this head from the head Personal Deposits; to the transfer of Criminal Court Record Fund Charges from 5 Land Revenue; and to full provision for Jail supplies and services, and for Jail manufactures. In the Punjab the increase is £33,600, and is provided to meet the salaries of the newly appointed Divisional and District Judges with their establishments, and to cover the higher rates of salary to Deputy and Assistant Commissioners under the re-organisation scheme of the Punjab Commission.

116. *Police* (*20*); Increase, £49,900. The increase is distributed over most of the Provinces. In the North-Western Provinces and Oudh, the increase amounts to £15,100, and is due chiefly to extra provision for Clothing and for Village Police.

117. *Marine* (*21*); Increase, £35,300. This arises chiefly under India, General, and is due to the addition of the *Canning* to the Marine establishment preparatory to its being fitted up as a troopship; to increased work in the

Bombay Dockyard, and repairs to the Hydraulic Lift preparatory to its being made over to a private Company.

118. *Education* (*22*); Increase £81,300. The increase is general, and is due to the spread of education. In the North-Western Provinces and Oudh an increase of £14,800 is provided to meet additional expenditure on Inspection, Normal and Local Schools, Grants-in-aid, &c. In Bombay the increase amounts to £35,000, and for the most part represents new grants to Primary Schools within municipal limits.

119. *Medical* (*24*); Increase £30,100. The increase is general, and is due to the growing requirements of the Department.

120 *Political* (*25*); Decrease £84,200. The decrease is chiefly due to a reduction of £60,000 in the provision for the Afghan Delimitation Commission, and to the absence of arrear payments on account of the Amir's subsidy.

121. *Scientific and other Minor Departments* (*26*); Increase, £45,500. The increase occurs chiefly under India (General), and Bombay. Under India (General) the increase amounts to £20,800, and is due to larger provision for survey charges. Under Bombay the increase of £10,500 is on account of the Indian and Colonial Exhibition of London and the Fine Arts Universal Exhibition of Antwerp.

Miscellaneous Civil Charges.

122. *Superannuations, Allowances and Pensions* (*29*); Increase £106,000. In India a decrease of £23,000 is expected. In England larger payments to the extent of £129,000 are anticipated on account of annuities due to Government taking over the Bengal Civil Fund in 1885-86.

123. *Miscellaneous* (*31*); Decrease £15,000. This occurs chiefly in India, (General) and is due mainly to the absence of provision for special payments made in 1884-85 on account of compensation for damage and detention of Petroleum in Calcutta.

Famine Relief and Insurance.

124. *Protective Works, Railways* (*33*); Decrease £398,100. The Revised Estimate for 1884-85 included £388,100 unappropriated in 1883-84 and re-allotted in 1884-85. No such re-allotment occurs in 1865-66, for which year only the fixed portion of the annual grant has been assigned.

125. *Reduction of Debt* (*35*). The increase of £360,400 is due to the reduction in the grant for Railways, which sets free a corresponding sum for reduction of debt.

Expenditure on Productive Public Works (Revenue Account).

126. *State Railways* (*Working Expenses*) (*36*); Increase £436,700. The increase is the result of a series of figures, of which the following are the principal items :—

	Increase.
	£
Rajputana-Malwa Railway	147,500
Burma Railway	38,000
Eastern Bengal Railway	52,500
Naraingunge-Dacca-Mymensing Railway	18,500
Cawnpore-Achneyra Railway	12,500
Sindh, Punjab, and Delhi Railway	180,000

Rajputana-Malwa Railway.—The increase is partly nominal, representing the expenses on account of the Rewari-Ferozepore line hitherto shewn under the non-productive head of account, *viz.*, 41. State Railways Revenue Account. An increase of £17,500 occurs on account of the surplus profits for the half-year ending 30th June 1885, payable to the Bombay, Baroda, and Central India Railway for the working of the line. The additional expenditure provided under this Railway will be set off to some extent by credits in the Civil Accounts under Superannuation Allowances and Pensions, Stationery and Printing, Miscellaneous and Police. The credits on these accounts are roughly estimated at £40,000.

Burma Railway.—The additional assignment is due to an additional mileage of 81 miles being expected to be opened on the Sittang Railway from 1st April 1885, and to an anticipated expansion of traffic.

The increase under *Eastern Bengal Railway* amounts to £52,500, and is due to the amalgamation with this line of the Calcutta and South-Eastern Railway and of the Poradaha-Damukdia section of the Northern Bengal State Railway. Increased provision has also been made for expenditure owing to larger estimated traffic.

Naraingunge-Dacca-Mymensing Railway.—An additional length of 75·62 miles is expected to be opened about 1st August next, and the increase in the Budget is to meet outlay on this extension.

Cawnpore-Achneyra Railway.—The increase provides for increased mileage; for sleeper renewals; and for improving the assignment of certain portions of the Cawnpore-Farakhabad section of the line.

Sindh, Punjab, and Delhi Railway.—This line will probably be taken over by Government on the 1st January 1886. The Budget Estimate for 1885-86 provides for the estimated expenses of the last quarter of that year.

East Indian Railway Working expenses.—Decrease, £64,800. The decrease is due to a reduction of expenditure on account of renewals, and to a falling off in the payment on account of surplus profits, due to the falling off in the revenue of the 2nd half of 1884 and the 1st half of 1885.

127. *Guaranteed Railways* (*Surplus profits, Land and Supervision*) (37); Increase, £20,900. The increase is brought about by the necessity for provision in Madras of £15,300 on account of land required for the Beypore-Calicut Extension.

128. *Irrigation and Navigation.*—Increase, £11,300. The increase is due to additional capital outlay on the several projects.

129. *Charges in respect of Capital* (*39*); (*a*) *Interest on Debt; State Railways;* Increase, £137,300. The increase is chiefly due to gradual increase in the capital expenditure on State Railways.

East Indian Railway.—Increase, £18,900. An increased provision is made to cover the charge on account of interest on India stock and interest on Capital, Capital advance, and Stores suspense accounts.

(*b*) *Annuities in purchase of Guaranteed Railways* (including Sinking Funds).—Increase, £96,700. The increase is due to a full year's provision having been made in 1885-86 on account of the annuity for the Eastern Bengal Railway, against provision in the Revised Budget of 1884-85 for only the payment of the proportion of the annuity due on the three months ending 31st October.

130. *State Railways, Capital Account* (*40*); Increase, £206,900. The increase is due to provision being made on account of the Lucknow-Sitapur-Kheri Line, the construction of which has been sanctioned by the Secretary of State.

Expenditure on Public Works not classed as Productive.

131. *State Railways* (*working and maintenance*) (*41*); Decrease, £56,000. The decrease is chiefly due to the expenses of the Rewari-Ferozepur Line having been transferred to 36. State Railways, and included under Rajputana-Malwa Railway.

132. *Subsidised Railways* (*42*); Decrease, £51,200. This is the net result of the following changes:—

	Increase.	Decrease.
	£	£
Guaranteed Interest	...	36,400
Subsidy	6,500	...
Payments for Land	...	21,300

Under guaranteed interest the decrease is due to the cessation of payments on this account to the Bengal Central Railway and to the Rohilkhund-Kumaon Railway from 1st January 1885. The increase under "Subsidy" represents the payments to the Rohilkhund-Kumaon Railway and to the Assam Railway. The decrease under payments for land is the amount by which the requirements under this head in 1885-86 are expected to fall short of the payments in 1884-85.

Southern Mahratta Railway.—Increase, £73,000. Of this £24,000 occurs in interest charges and £49,000 in working expenses. The former is due to additional provision being made to cover the interest on the additional capital raised by debentures, and the latter to provision being made for an additional length of 103 miles which it is expected will be opened for traffic early in April.

133. *Irrigation and Navigation* (*44*). The decrease amounts to £75,000, and occurs as follows:—

	£
Imperial	30,500
Provincial	45,600
	76,100
Local (increase)	1,100
Net decrease	75,000

The decrease is due to the Government of India not being able to provide a larger sum than £525,000 for total outlay in 1885-86, from imperial resources and to a heavy reduction in the grant for Provincial Public Works in Burma. There is an increase of £9,900 in Bengal, due chiefly to an increase of expenditure on the Orissa Coast Canal which is approaching completion.

134. *Military Works.*—Increase, £117,100. The Budget for 1885-86 provides (1) fixed annual grant of one crore of rupees; (2) one and half lakhs in addition for the Aden defences; (3) seven lakhs for Bombay Defences; and (4) the lapse of the current year's grant, ₹55,000.

135. *Civil Buildings, Roads, and Services* (*46*). This is a net increase of £47,500 due to the addition of £100,000 to the estimates, being the grant for frontier roads.

136. *Army* (*47*); Decrease, £204,800.

Army Services.

The net estimated cost of the army in India for the financial year 1885-86 (excluding war charges and receipts) is £14,881,000, or a little below £15,000,000, which may be considered to be about the normal military expenditure in India and in England. The above sum provides for the estimated cost of the British army serving in India, the sanctioned number at the present time being more nearly complete than it was at any time during the five years immediately preceding the Afghan War. Dealing alone with army expenditure in India, there is a net increase of £36,200, which is explained by the fact that under the grant for regimental pay, allowances, and charges there is an increase of £48,600, due to the rate of exchange for the pay of British troops in 1885-86 having been fixed at 1*s.* 7½*d.*, the rate for 1884-85 being 1*s.* 8*d.* There is also a large increase in the purchase of country-brewed beer, which will be supplied to all but three stations in Bengal, and which is slowly superseding English beer in the Madras and Bombay presidencies. The increase is counterbalanced by a corresponding reduction in the Home charges. Under the head of "ordnance establishments, stores, and camp equipage" there is an increase of £22,115, consequent on the outturn of small-arms ammunition at the factories having to be largely increased to replace reserves which it was found necessary to condemn.

There is an increase of £36,169 "miscellaneous services," chiefly consequent on the provision of £20,000 for land required in connection with the new redoubts in course of construction at Lucknow. The grant for volunteers, consequent on the growth of the movement, and revised rates of pay for sergeant instructors, shows an increase of £13,975, while on the other hand there is a reduction under the head of commissariat establishments, supplies, and services of £28,532, which is due to favourable prices of supplies, and anticipated saving in railway and transport charges owing to reduced rates and a small relief. As regards the home charges, the gross estimate for 1885-86 is lower than that of any year since 1873-74. This is due partly to a reduction in the pension charges for British troops, and partly to reduced demands for stores. The charges for the Indian troop service are also very low. The estimated charge for stores is lower than it has been for nineteen years. The decrease is due partly to the economical administration of the several departments, and partly to the substitution of country products and manufactures and malt-liquor for stores hitherto imported from England. From both points of view the reduction is satisfactory.

Whatever may be the case in the future, at the close of 1884-85 the total net military charges in India and England were lower than they have been at any time during the past ten years, and this has been effected without prejudice to efficiency or any reduction in the authorised aggregate strength of the army, and notwithstanding that the non-effective and superannuation charges have in recent years largely increased. But for these and additional expenditure caused by changes of organisation in the British army the Government of India are in no way responsible. This fact, however, does not lessen the uncertainty which prevails with regard to what the demands on the above account may amount to, and they are, in consequence, a source of considerable anxiety to those who are responsible for army expenditure in India.

Cost of Indian troops employed in the expedition to Suakim.

137. The Indian Government will continue to bear the ordinary charges of the troops who have been or who may be sent to the Suakim expedition. All extraordinary charges—all charges, that is to say, other than those which would have been, in ordinary course, incurred had these troops remained in India—will be defrayed by the English Government.

138. *Exchange on Transactions with London* (*49*). Compared with the Revised Estimate of 1884-85, the Budget Estimate of 1885-86 shews an increase of £320,700. The figures of both years are compared below. The entries with + against them represent Gain, and those with — represent Loss.

	Revised Estimates, 1884-85.	Budget Estimates, 1885-86.
	£	£
Secretary of State's Bills . . .	—3,337,100	—3,624,700
Expedition to Suakim	—75,000	—118,800
Hong-Kong Bills	—50,600	—41,900
Guaranteed Railways	+150,200	+136,300
East Indian Railway	+98,100	+121,800
Rajputana-Malwa Railway . . .	+16,800	+25,000
Southern Mahratta Railway . . .	—136,700	—158,600
Military	+7,000	+13,900
Public Works and Civil . . .	+74,400	+73,400
TOTAL .	—3,252,900	—3,573,600

The Secretary of State's drawings have been fixed at £13,773,700 against £13,795,300 in the Revised, the rate of exchange adopted for 1885-86 being 1*s.* 7*d.* against 1*s.* 7·3*d.*, the rate taken in the Revised. The Secretary of State's

drawings have been taken at the figure quoted above on the assumption that £2,225,000 true sterling will be raised in England by way of loan, and that £481,200 (the equivalent of 60 lakhs of rupees at 1*s.* 7·25*d.* the rupee) will be recovered in England on account of sums advanced in India towards the expedition to Suakim.

Concluding remarks on estimates.

139. Having brought the analysis of the financial situation, such as it presents itself, and of the detailed figures explaining variations between the Revised Estimates and Budget Estimates for 1884-85 and the Revised Estimates for 1884-85 and Budget Estimates for 1885-86, to a close, it remains only briefly to sum up our situation. The remarks made in the Preliminary paragraph have been, I trust, sufficiently illustrated in the course of this Statement. The prospects of our revenues, the heavy demands which they have been called upon to bear, and the liabilities to which we may yet be exposed, require no further explanation. The year commences with a surplus which is more less considerable according as the grants for capital expenditure are included in or excluded from our calculations. If during the ensuing year we are not called upon to submit to any material increase of expenditure, the estimates, based as they are on a very low rate of exchange and a very moderate calculation as to the revival of our trade, may, I think, be trusted to bear the test of trial. Should trade revive or exchange become more favourable, we shall have resources ample to meet our estimated expenditure. On the other hand, it is impossible to say whether additional expenditure may not in the course of the year have to be provided for, exceeding the limits of any addition which our revenues may reasonably hope to derive from the strengthening of our railway receipts or from the improvement in our exchange. To put it in other words, heavily as we are weighted from the two causes above indicated, there is no reason why our resources should not fully suffice to meet all normal expenditure during 1885-86. But if abnormal expenditure, whether of a temporary or permanent kind, is forced upon us, our estimates, even should they be strengthened by a more favourable combination of exchange and trade, may very probably prove unequal to meet it. It is to be hoped that the financial prosperity, the good harvests, and the undisturbed peace, which have of late years been accorded to us will continue. But it is necessary to state clearly the position in which, owing to the concurrence of a variety of unfavourable conditions, we find ourselves placed, in order that considerations which inevitably presented themselves when the estimates were being framed may be fully explained to the public, and that we may not be charged, should difficulties increase upon us, with having taken too sanguine a view of our position.

Ways and Means.

140. In the Financial Statement for 1884-85 it was anticipated that the Secretary of State would draw during 1883-84 £17,800,000 true sterling; that the balance in Indian Treasuries on 31st March 1884 would be £12,440,000; that the Secretary of State would draw during 1884-85 £16,500,000 true sterling; that assistance must be obtained during the year to the extent of £2,500,000, either by loan raised in India or by reduction of the drawings of the Secretary of State; and that the year would close on 31st March 1885 with a balance in the Indian Treasury of £11,010,850.

The Secretary of State actually drew in 1883-84 £17,599,805 true sterling, and the year 1884-85 opened with a balance in Indian Treasuries of £13,199,926, being £759,926 in excess of the estimate.

No loan was raised in India during the year, and the Secretary of State reduced the estimated amount of his drawings, so that his total drawings for the year 1884-85 are now taken at £13,795,300 true sterling.

It is expected, if the Secretary of State should draw the amount he proposes to draw, that the year 1885-86 will open with a balance in Indian Treasuries of £11,920,000; that the Secretary of State will require during the year £16,804,900 true sterling; and that if he were to draw the whole amount from India during the year, the amount in the Indian Treasuries would require to be supplemented by a loan of £3,500,000 (350 Lakhs of Rupees). The amount available for reduction of debt under the grant for Famine Relief and Insurance in 1885-86 is, however, in round numbers £680,000, (68 Lakhs of Rupees) and it will obviously be best to take this amount to reduce borrowing, rather than in actual reduction of debt previously incurred. The total amount to be borrowed has for the purposes of the estimates been taken at 282 lakhs of rupees, equivalent to about £2,225,000 true sterling. The Government of India has urged on the Secretary of State the inexpediency of attempting to borrow 282 lakhs of rupees in India this year, and the Secretary of State has accepted this opinion and agreed to find the equivalent sum of £2,225,000 true sterling in England during 1885-86. But while the Government now announces its intention of borrowing in England, and of not borrowing in India this year, it must be distinctly understood that no pledge is given, and that the Government of India does not hold itself precluded by anything now said from borrowing, in case of necessity, in India, or partly in India and partly in England, whatever sums of money may hereafter be found necessary for the service of the year.

The total requirements of the Secretary of State in 1885-86 being £16,804,900 true sterling, and it being anticipated that of this amount £2,225,000 true sterling will be obtained by loan or otherwise in England, there will remain £14,579,900 true sterling to be remitted from India. Of this sum it is estimated that the Secretary of State will receive £806,200 true sterling on account of repayments by Home Government of advances made in 1884-85 and 1885-86 for the Suakim expedition, leaving £13,773,700 true sterling to be drawn by bills and telegraphic transfers during the year. The closing balance of the year in Indian Treasuries on 31st March 1886 is estimated at £10,204,526.

Summary.

141. The following is a summary of the chief points in the foregoing Statement:—

1. The Accounts of 1883-84 shew a surplus of £1,387,496. An analysis of the surplus shews it to be partly due to revenues collected in anticipation of the following year, 1884-85.

2. The Revised Estimate of 1884-85 shews a deficit of £716,200.

3. The causes of this deficit are, the stagnation of the export wheat and rice trade, the heavy expenditure connected with the extraordinary opium crop of 1883-84, the collection, in anticipation, of Land Revenue, above alluded to, the suspension of a considerable amount of Land Revenue in Bombay and Madras, until the year 1885-86, in consequence of the partial failure of the rains in the year 1883-84, and the grant of a considerable sum from revenue for capital expenditure on frontier Railways.

4. Statistics are given illustrating the great fall in exports in most of the Indian products during the year, and the abnormal expenditure on account of the opium crop.

5. The consumption of salt and progress of Savings Banks continue satisfactory, but Stock Notes shew no sign of improvement.

6. The net import of gold during 1883-84 was ₹5,46,33,156, being the largest import since the year 1869-70. In 10 months of 1884-85 the net import of gold has been ₹4,50,26,000.

7. The Revised Estimates of 1884-85 provided for drawings by the Secretary of State to the amount of £13,795,300, being £2,704,700 true sterling less than the Original Estimates of the year.

8. The surplus of 1885-86 is estimated at £508,100, but the estimates on which this surplus is framed include, on the one hand, a grant of £585,000 from Revenue for Capital Railway Expenditure and for Harbour Defences, and, on the other, they take credit for £585,000, being the nominal saving in exchange on estimated short drawings by the Secretary of State.

9. The net Opium Revenue for 1885-86 has been taken at £6,547,300.

10. The opium crop of 1885 promises well: the reserve on the 31st December 1884 was 2,296 chests. The probable reserve on December 31st, 1885, will be 18,297 chests.

11. Due notice will be given of the amount of opium to be sold during 1886.

12. In the Estimates of 1885-86 the rate of exchange has been taken at 1*s.* 7*d.*, and provision made for drawings by the Secretary of State to the amount of £13,773,700.

13. It is intended that the usual Public Works loan should be raised in England this year, but no pledge on the subject is given.

A. COLVIN.

March 17th, 1885.

APPENDIX I.

ACCOUNTS AND ESTIMATES.

Accounts	1883-84.
Revised Estimates . . .	1884-85.
Budget Estimates . . .	1885-86.

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General Statement of

RECEIPTS.	For details, *vide* Abstract.	ACCOUNTS, 1883-84.	BUDGET ESTIMATE, 1884-85.	REVISED ESTIMATE, 1884-85.	BUDGET ESTIMATE, 1885-86.
		£	£	£	£
Revenue—					
Principal Heads of Revenue—					
Land Revenue	...	22,361,899	21,888,200	21,546,300	22,334,200
Opium	...	9,556,501	8,594,200	8,850,000	9,025,500
Salt	...	6,145,413	6,328,900	6,350,000	6,400,000
Stamps	...	3,513,201	3,533,000	3,578,000	3,633,400
Excise	...	3,836,961	3,796,900	4,013,500	4,070,000
Other Heads	A	6,623,716	6,562,800	6,294,000	6,580,800
TOTAL PRINCIPAL HEADS	A	52,037,691	50,704,000	50,631,800	52,043,900
Post Office, Telegraph, and Mint	,,	1,672,761	1,734,700	1,789,200	1,792,900
Receipts by Civil Departments	,,	1,427,729	1,455,600	1,402,100	1,426,300
Miscellaneous	,,	1,512,604	1,256,100	1,369,400	1,346,500
Revenue from Productive Public Works	,,	13,240,507	13,631,100	12,923,900	13,707,000
Receipts on account of Public Works not classed as Productive	,,	879,897	917,700	1,008,700	920,400
Receipts by Military Departments	,,	956,232	861,200	866,100	853,400
TOTAL REVENUE	...	71,727,421	70,560,400	69,991,200	72,090,400
Debt, Deposits, and Advances—					
Permanent Debt (net incurred)	C	3,062,953	2,221,100	1,155,400	2,205,000
Unfunded Debt (net incurred)	,,	352,480	763,800	855,000	648,400
Deposits and Advances	,,	...	376,200	725,300	236,100
Loans to Municipalities, Native States, &c. (net Recoveries)	,,	171,960	115,400	12,700	308,100
Capital of Guaranteed and Subsidized Companies (net Receipts)	,,	...	...	...	...
Remittances (net)	,,	10,120	...	301,100	170,300
Secretary of State's Bills drawn	,,	17,599,805	16,500,000	13,795,300	13,773,700
TOTAL RECEIPTS	...	92,924,739	90,536,900	86,836,000	89,432,000
Balance on April 1st—India	...	14,821,550	12,440,050	13,199,926	11,920,026
England	...	3,429,874	3,606,174	4,113,221	2,213,121
GRAND TOTAL	...	111,176,163	106,583,124	104,149,147	103,565,147

FORT WILLIAM,
DEPT. OF FINANCE AND COMMERCE;
The 17th March 1885.

E. W. KELLNER,
Deputy Comptroller General.

Accounts and Estimates.

Rio = £1

Disbursements.	For details, *vide* Abstract.	Accounts, 1883-84.	Budget Estimate, 1884-85.	Revised Estimate, 1884-85.	Budget Estimate, 1885-86.
		£	£	£	£
Expenditure—					
Interest	B	4,276,266	4,162,200	4,404,900	3,953,000
Direct demands on the Revenues	,,	8,482,613	9,016,600	9,571,100	9,311,500
Post Office, Telegraph, and Mint	,,	1,984,058	2,158,400	2,131,300	2,216,400
Salaries and Expenses of Civil Depts.	,,	11,250,038	11,426,100	11,472,400	11,778,200
Miscellaneous Civil Charges	,,	3,882,529	3,973,800	3,909,500	4,012,500
Famine Relief and Insurance	,,	1,500,000	1,750,000	1,500,000	1,500,000
Expenditure on Productive Public Works (Revenue Account)	,,	12,033,873	12,542,800	12,358,000	13,033,600
Expenditure on Public Works not classed as Productive	,,	6,580,721	6,089,000	6,569,700	7,193,300
Army Services	,,	16,975,750	16,098,600	15,970,200	15,734,400
Exchange on Transactions with London	,,	3,838,756	3,538,100	3,252,900	3,573,600
TOTAL	...	70,804,604	70,755,600	71,140,000	72,306,500
Add—Provincial Surpluses, that is, Allotments to Provincial Governments, unspent by them	End of B	123,501	120,100	119,200	28,900
Deduct—Provincial Deficits, that is, Portion of Provincial Expenditure defrayed from Provincial balances	,,	—588,180	—634,600	—551,800	—753,100
TOTAL EXPENDITURE CHARGED AGAINST REVENUE	...	70,339,925	70,241,100	70,707,400	71,582,300
Expenditure on Productive Public Works (Capital Account)	End of B	3,992,029	4,764,400	5,732,400	4,405,400
Debt, Deposits, and Advances—					
Permanent Debt (net discharged)	C	...	...	...	...
Unfunded Debt (net discharged)	,,	...	...	...	...
Deposits and Advances (net)	,,	690,233	...	...	...
Loans to Municipalities and Native States, &c. (net advanced)	,,	....	...	...	...
Capital of Guaranteed and Subsidized Companies (net withdrawals)	,,	843,589	1,753,000	552,700	903,100
Remittances (net)	,,	...	251,500	...	...
Secretary of State's Bills paid	...	17,997,240	16,500,000	13,023,500	13,773,700
TOTAL DISBURSEMENTS	...	93,863,016	93,510,000	90,016,000	90,664,500
Balances on March 31st—India	...	13,199,926	11,010,850	11,920,026	10,204,526
England	...	4,113,221	2,062,274	2,213,121	2,696,121
GRAND TOTAL	...	111,176,163	106,583,124	104,149,147	103,565,147
Revenue		71,727,421	70,560,400	69,991,200	72,090,400
Expenditure chargeable thereon		70,339,925	70,241,100	70,707,400	71,582,300
Surplus (+) or Deficit (—)		+1,387,496	+319,300	—716,200	+508,100

J. WESTLAND,
Comptroller and Auditor General.

D. BARBOUR,
Secretary to the Government of India.

Abstract A.—*Details*

The figures in thick type are those which

	ACCOUNTS, 1883-84.				REVISED
	Imperial.		Provincial and Local.	Total.	Impe
	England.	India.	India.		England.
Principal Heads of Revenue—	£	£	£	£	£
I.—Land Revenue	...	14,424,845	7,937,054	22,361,899	...
II.—Opium	...	9,556,501	...	9,556,501	...
III.—Salt	...	6,118,285	27,128	6,145,413	...
IV.—Stamps	...	1,771,495	1,741,706	3,513,201	...
V.—Excise	...	1,930,636	1,906,325	3,836,961	...
VI.—Provincial Rates	...	553	2,878,178	2,878,731	...
VII.—Customs	...	1,023,857	163,409	1,187,266	...
VIII.—Assessed Taxes	...	263,045	263,042	526,087	...
IX.—Forest	3,109	481,986	567,095	1,052,190	2,800
X.—Registration	...	129,942	129,013	258,955	...
XI.—Tributes from Native States	...	720,487		720,487	...
TOTAL	3,109	36,421,632	15,612,950	**52,037,601**	2,800
Post Office, Telegraph, and Mint—					
XII.—Post Office	...	1,014,199	4,544	1,018,743	...
XIII.—Telegraph	51,424	470,793	353	522,570	34,200
XIV.—Mint	35	131,413	...	131,448	...
TOTAL	51,459	1,616,405	4,897	**1,672,761**	34,200
Receipts by Civil Departments—					
XV.—Law and Justice	...	46,837	527,022	573,859	...
XVI.—Police	...	346	311,528	311,874	...
XVII.—Marine	...	75,982	116,885	192,867	...
XVIII.—Education	...	1,229	203,198	204,427	...
XIX.—Medical	2,413	2	52,556	54,971	2,300
XX.—Scientific and other Minor Departments	1,038	18,574	70,119	89,731	600
TOTAL	3,451	142,970	1,281,308	**1,427,729**	2,900
Miscellaneous—					
XXI.—Interest	29,722	784,680	35,061	849,463	33,100
XXII.—Receipts in aid of Superannuations, &c.	101,255	172,545	28,637	302,437	97,800
XXIII.—Stationery and Printing	...	7,264	43,331	50,595	...
XXIV.—Miscellaneous	4,881	42,553	262,675	310,109	8,000
TOTAL	135,858	1,007,042	369,704	**1,512,604**	138,900
Revenue from Productive Public Works—					
XXV.—State Railways (gross earnings)	...	2,325,422	756,826	3,082,248	...
East Indian Railway (gross earnings)	230	4,999,179	...	4,999,409	200
Eastern Bengal (gross earnings)	...	...	...	...	...
XXVI.—Guaranteed Railways (net Traffic Receipts)	...	3,688,143	...	3,688,143	...
XXVII.—Irrigation and Navigation (Direct Receipts)	...	284,634	651,947	936,581	...
XXVIII.—Portion of Land Revenue due to Irrigation	...	534,126	...	534,126	...
TOTAL	230	11,831,504	1,408,773	**13,240,507**	200
Receipts on account of Public Works not classed as Productive—					
XXIX.—State Railways	...	172,899	14,079	186,978	...
XXX.—Subsidized Railways	2,645	...	...	2,645	500
Southern Mahratta	...	77	...	77	...
XXXI.—Irrigation and Navigation	...	30,886	110,986	141,872	...
XXXII.—Military Works	...	44,062	...	44,062	...
XXXIII.—Civil Buildings, Roads, and Services	16,575	7,044	480,644	504,263	18,300
TOTAL	19,220	254,968	605,709	**879,897**	18,800
Receipts by Military Departments—					
XXXIV.—Army	52,458	900,066	...	952,524	69,700
XXXV.—Military Operations in Egypt	...	3,708	...	3,708	...
TOTAL	52,458	903,774	...	**956,232**	69,700
Total Revenues	265,785	52,178,295	19,283,341	71,727,421	267,500
	52,444,080				

of Revenue.

appear in the General Account.

Rio = £1

ESTIMATE, 1884-85.			Increase + Decrease — of Revised as compared with Budget Estimates, 1884-85.	BUDGET ESTIMATE, 1885-86.				Increase + Decrease — of Budget, 1885-86, as compared with Revised Estimates, 1884-85.
RIAL.	PROVINCIAL AND LOCAL.	TOTAL.		IMPERIAL.		PROVINCIAL AND LOCAL.	TOTAL.	
India.	India.			England.	India.	India.		
£	£	£	£	£	£	£	£	£
13,001,200	8,545,100	21,546,300	—341,900	...	13,493,800	8,840,400	22,334,200	+787,900
8,850,000	...	8,850,000	+255,800	...	9,025,500	...	9,025,500	+175,500
6,319,300	30,700	6,350,000	+21,100	...	6,367,200	32,800	6,400,000	+50,000
1,807,700	1,770,300	3,578,000	+45,000	...	1,835,100	1,798,300	3,633,400	+55,400
2,032,100	1,981,400	4,013,500	+216,600	...	2,060,100	2,009,900	4,070,000	+56,500
2,100	2,791,800	2,793,900	+53,600	...	2,200	2,854,600	2,856,800	+62,900
895,700	134,300	1,030,000	—259,500	...	996,800	178,200	1,175,000	+145,000
255,900	255,900	511,800	—6,300	...	257,400	257,500	514,900	+3,100
439,700	539,800	982,300	—71,100	900	475,300	584,800	1,061,000	+78,700
141,200	139,600	280,800	+15,200	...	141,600	140,200	281,800	+1,000
695,200	...	695,200	—700	...	691,300	...	691,300	—3,900
34,440,100	16,188,900	50,631,800	—72,200	900	35,346,300	16,696,700	52,043,900	+1,412,100
1,056,200	4,200	1,060,400	+1,400	...	1,097,700	4,000	1,101,700	+41,300
530,300	300	564,800	—8,700	26,100	539,700	400	566 200	+1,400
164,000	....	164,000	+61,800	...	125,000	...	125,000	—39,000
1,750,500	4,500	1,789,200	+54,500	26,100	1,762,400	4,400	1,792,900	+3,700
36,100	528,000	564,100	—53,800	...	42,800	552,500	595,300	+31,200
4,300	311,700	316,000	+7,200	...	7,800	303,800	311,600	—4,400
65,400	112,500	177,900	—28,000	...	60,700	115,700	176,400	—1,500
1,200	199,300	200,500	+1,800	...	1,100	200,700	201,800	+1,300
100	52,900	55,300	+7,200	2,000	100	52,500	54,600	—700
22,200	65,500	88,300	+12 100	500	20,300	65,800	86,600	—1,700
129,300	1,269,900	1,402 100	—53,500	2,500	132,800	1,291,000	1,426,300	+24,200
637,700	29,600	700,400	+47,300	10.000	627,700	31,700	669,400	—31,000
177,900	25,600	301,300	+7,600	94,000	232,000	25,700	352,300	+51,000
9,100	39,000	48,100	—4,900	...	13,500	40,600	54,100	+6,000
64,000	247,600	319,600	+63,300	3,000	38,800	228,900	270,700	—48,900
888,700	341,800	1,369,400	+113,300	107,600	912,000	326,900	1,346,500	—22,900
2,394,800	874,800	3,269,600	—17,300	...	2,841,700	1,000,000	3,841,700	+572,100
4,270,000	...	4,270,200	—580,000	200	4,550,000	...	4,550,200	+280,000
440,000	...	440,000	+10,000	...	550,000	...	550,000	+110,000
3,374,000	...	3,374,000	—239,000	...	3,360,000	...	3,360,000	—14,000
314,100	734,000	1,048,100	+105,500	...	302,600	572,100	874,700	—173,400
522,000	...	522,000	+13,600	...	530,400	...	530,400	+ 8,400
11,314,900	1,608,800	12,92390	—707,200	200	12,134,700	1,572,100	13,707,000	+783,100
218,200	16,100	234,300	+38,200	...	127,900	20,500	148,400	— 85,900
...	...	500	+500	...	...		...	— 500
32,500	...	32,500	+32,500	...	100,000	...	100,000	+ 67,500
28,700	108,800	137,500	—3,200	...	29.900	105,500	135.400	— 2,100
39,500	...	39,500	+1,800	...	40,800		40,800	+ 1.300
30,500	515,600	564,400	+21,200	21,200	7,700	466,900	495,800	— 68,600
349,400	640,500	1,008,700	+91,000	21,200	306,300	592,900	920,400	—88,300
796,400	...	866,100	+4,900	39,400	814,000	...	853,400	—12,700
796,400		866,100	+4,900	39,400	814,000	...	853,400	—12,700
49,669,300	20,054,400	69,991,200	—569,200	197,900	51,408,500	20,484,000	72,090,400	+2,099,200
49,936,800				51,606,400				

Abstract B.—*Details*

The figures in thick type are those which

	ACCOUNTS, 1883-84.				REVISED
	IMPERIAL.		PROVINCIAL AND LOCAL.	TOTAL.	IMPE
	England.	India.	India.		England.
Interest—	£	£	£	£	£
1.—Interest on Ordinary Debt (excluding that charged to Productive Public Works)	2,442,210	1,376,821	...	3,819,031	2,610,100
2.—Interest on other obligations	5,123	447,354	4,758	457,235	3,100
TOTAL	2,447,333	1,824,175	4,758	4,276,266	2,613,200
Direct Demands on the Revenues—					
3.—Refunds and Drawbacks	...	150,949	237,321	388,270	...
4.—Assignments and Compensations	...	543,467	695,373	1,238,840	...
Charges in respect of Collection, *viz.*:—					
5.—Land Revenue	260	281,769	3,047,118	3,329,147	400
6.—Opium (including cost of Production)	1,280	1,853,410	...	1,854,690	3,500
7.—Salt (including cost of Production)	4,085	377,995	64,561	446,641	...
8.—Stamps	27,815	24,146	57,133	109,094	45,100
9.—Excise	...	46,030	46,329	92,359	100
10.—Provincial Rates	...	...	54,547	54,547	...
11.—Customs	...	...	139,345	139,345	...
12.—Assessed Taxes	...	6,607	6,607	13,214	...
13.—Forest	5,864	291,325	352,186	649,375	4,100
14.—Registration	...	83,760	83,331	167,091	...
TOTAL	39,304	3,659,458	4,783,851	8,482,613	53,200
Post Office, Telegraph, and Mint—					
15.—Post Office	106,487	1,024,491	103,503	1,234,481	118,100
16.—Telegraph	156,277	507,203	5,759	669,239	198,200
17.—Mint	4,428	75,910	...	80,338	10,100
TOTAL	267,192	1,607,604	109,262	1,984,058	326,400
Salaries and Expenses of Civil Departments—					
18.—General Administration	239,354	582,823	776,202	1,598,379	236,500
19.—Law and Justice	374	159,735	3,078,702	3,238,811	1,200
20.—Police	...	68,901	2,692,153	2,761,054	...
21.—Marine (including River Navigation)	196,787	246,934	145,847	589,568	150,900
22.—Education	145	11,487	1,172,562	1,184,194	300
23.—Ecclesiastical	310	158,802	—	159,112	500
24.—Medical	7,472	17,150	692,203	716,825	8,100
25.—Political	26,041	505,971	653	532,665	32,400
26.—Scientific and other Minor Departments	20,896	248,813	199,721	469,430	15,500
TOTAL	491,379	2,000,616	8,758,043	11,250,038	445,400
Miscelneo us Civil Chrges—					
27.—Territorial and Political Pensions	79,776	670,476	—	750,252	28,900
28.—Civil Furlough and Absentee Allowances	216,916	3,431	—	220,347	200,000
29.—Superannuation Allowances and Pensions	1,416,978	212,325	526,975	2,156,278	1,420,000
30.—Stationery and Printing	112,518	6,907	366,232	485,657	133,700
31.—Miscellaneous	20,123	35,078	214,794	269,995	25,000
TOTAL	1,846,311	928,217	1,108,001	3,882,529	1,807,600
Famine Relief and Insurance—					
32.—Famine Relief	89	1,485	7,611	9,185	...
33.—Protective Works, Railways	...	626,461	—	626,461	...
34.—Protective Works, Irrigation	26	283,191	—	283,217	...
35.—Reduction of Debt	...	581,137	—	581,137	...
TOTAL	115	1,492,274	7,611	1,500,000	...
Expenditure on Productive P. W. (Revenue Account—					
36.—State Railways (Working Expenses)	...	1,261,037	444,618	1,705,655	...
East Indian Railway (Working expenses)	...	1,996,842	—	1,996,842	...
Eastern Bengal Railway (ditto)	...	—	—	—	—
37.—Guaranteed Railways (Surplus Profits, Land, and Supervision)	...	637,272	—	637,272	...
38.—Irrign. and Navign. (Working expenses)	43	213,482	301,312	514,837	...
39.—Charges in respect of Capital					
(*a*) Interest on Debt—					
State Railways	...	1,027,074	302,697	1,329,771	...
East Indian Railway	311,593	191,580	—	503 173	326,800
Eastern Bengal Railway	...	1,119	—	1,119	26,500
Irrigation and Navigation	...	382,143	463,181	845,324	...
(*b*) Annuities in purchase of Guaranteed Railways (including Sinking Funds)	1,203,118	—	—	1,203,118	1,220,600
(*c*) Guaranteed Railways Interest	3,284,241	12,521	—	3.296,762	3,217,300
TOTAL	4,798,995	5,723,070	1,511,808	12,033,873	4,791,200
Carried over	9,890,629	17,235,414	16,283,334	43,409,377	10,037,000

of Expenditure.

appear in the General Account.

₹10 = £1

ESTIMATE, 1884-85.			Increase + Decrease — of Revised as compared with Budget Estimates, 1884-85.	BUDGET ESTIMATE, 1885-86.				Increase + Decrease — of Budget, 1885-86, as compared with Revised Estimates, 1884-85.
RIAL.	PROVINCIAL AND LOCAL.	TOTAL.		IMPERIAL.		PROVINCIAL AND LOCAL.	TOTAL.	
India.	India.			England.	India.	India.		
£	£	£	£	£	£	£	£	£
1,317,800	...	3,927,900	+241,100	2,444,100	1,095,600	...	3,539,700	−388,200
470,800	3,100	477,000	+1,600	2,300	408,000	3,000	413,300	−63,700
1,788,600	3,100	**4,404,900**	+242,700	2,446,400	1,503,600	3,000	**3,953,000**	−451,900
133,400	80,500	213,900	−6,500	...	145,500	78,900	224,400	+10,500
545,400	686,700	1,232,100	−8,000	...	564,300	684,200	1,248,500	+16,400
294,500	3,051,700	3,346,600	+5,900	500	299,100	3,144,700	3,444,300	+97,700
2,943,000		2,946,500	+593,600	4,500	2,473,700		2,478,200	−468,300
383,600	76,000	459,600	−62,100		398,400	93,900	492,300	+32,700
24,800	59,500	129,400	−300	44,700	24,200	60,600	129,500	+100
51,600	51,700	103,400	+4,800	...	61,800	61,700	123,500	+20,100
—	111,400	111,400	+58,400	...	...	113,500	113,500	+2,100
—	136,800	136,800	−5,200	...	...	133,200	133,200	−3,600
6,400	6,800	13,200	−600	...	6,500	6,900	13,400	+200
306,700	390,700	701,500	−25,700	4,300	316,900	408,400	729,600	+28,100
88,700	88,000	176,700	+200	...	90,900	90,200	181,100	+4,400
4,778,100	4,739,800	**9,571,100**	+554,500	54,990	4,381,300	4,876,200	**9,311,500**	−259,600
1,031,000	105,300	1,254,400	+6,900	127,300	1,054,300	107,000	1,288,600	+34,200
589,800	700	788,700	−33,500	232,100	607,300	600	840,000	+51,300
78,100	...	88,200	−500	10,300	77,500	...	87,800	−400
1,698,900	106,000	**2,131,300**	−27,100	369,700	1,739,100	107,600	**2,216,400**	+85,100
594,900	743,900	1,575,300	−1,200	237,100	601,000	734,700	1,572,800	−2,500
165,000	3,128,000	3,294,200	−84,900	2,300	167,100	3,270,400	3,439,800	+145,600
80,500	2,725,300	2,805,800	+11,900	...	85,500	2,770,200	2,855,700	+49,900
193,700	143,300	487,900	−29,700	157,400	225,600	140,200	523,200	+35,300
15,900	1,194,600	1,210,800	−26,400	200	14,900	1,277,000	1,292,100	+81,300
164,700	...	165,200	−2,200	300	169,700	...	170,000	+4,800
15,000	714,800	737,900	+7,400	7,600	16,400	744,000	768,000	+30,100
710,300	600	743,300	+167,800	29,300	629,200	600	659,100	−84,200
253,000	183,500	452,000	+3,600	19,600	269,600	208,300	497,500	+45,500
2,193,000	8,834,000	**11,472,400**	+46,300	453,800	2,179,000	9,145,400	**11,778,200**	+305,800
651,100	...	680,000	−26,600	21,300	654,900	...	676,200	−3,800
15,700	...	215,700	−5,200	220,000	5,200	...	225,200	+9,500
232,500	553,900	2,206,400	+500	1,549,000	192,700	570,700	2,312,400	+106,000
−6,100	375,100	502,700	−37,100	135,000	−9,900	383,900	509,000	+6,300
85,900	193,800	304,700	+4,100	26,000	67,500	196,200	289,700	−15,000
979,100	1,122,800	**3,909,500**	−64,300	1,951,300	910,400	1,150,800	**4,012,500**	+103,000
...	12,000	12,000	+12,000	...	...	33,000	33,000	+21,000
898,100	...	898,100	−240,500	...	500,000	...	500,000	−398,100
270,600	...	270,600	−39,500	...	287,300	...	287,300	+16,700
319,300	...	319,300	+18,000	...	679,700	...	679,700	+360,400
1,488,000	12,000	**1,500,000**	−250,000	...	1,467,000	33,000	**1,500,000**	...
1,287 000	599,300	1,886,300	+53,600	...	1,629,900	640,600	2,270,500	+384,200
1,891,300	...	1,891,300	−161,200	...	1,826,500	...	1,826,500	−64,800
180,000	...	180,000	−20,000	...	232,500		232,500	+52,500
495,100	...	495,100	−34,900	...	516,000	...	516,000	+20,900
237,900	343,900	581,800	+19,700	...	251,100	342,000	593,100	+11,300
1,069,800	339,600	1,409,400	−16,100	...	1,145,400	369,900	1,515,300	+105,900
205,000	...	531,800	+700	330,700	220,000	...	550,700	+18,900
37,600	...	64,100	+30,400	33,200	62,300	...	95,500	+31,400
404,300	470,900	875,200	−4,600	...	426,000	480,800	906,800	+31,600
...	...	1,220,600	−34,500	1,317,300	...	...	1,317,300	+96,700
5,100	...	3,222,400	−17,900	3,205,000	4,400	...	3,209,400	−13,000
5,813,100	1,753,700	**12,358,000**	−184,800	4,886,200	6,314,100	1,833,300	**13,033,600**	+675,600
18,738,800	16,571,400	45,347,200	+317,300	10,161,400	18,494,500	17,149,300	45,805,200	+458,000

Abstract B.—*Details*

	ACCOUNTS, 1883-84.				REVISED
	IMPERIAL.		PROVINCIAL AND LOCAL[2]	TOTAL.	IMPE
	England.	India.	India.		England.
	£	£	£	£	£
Brought forward	9,890,629	17,235,414	16,283,334	43,409,377	10,037,000
Expenditure on Public Works not classed as Productive—					
40.—State Railways (Capital Account)	...	79,040	—473,367	—394,327	...
41.—State Railways (Working and Maintenance)	...	147,626	10,075	157,701	...
42.—Subsidised Railways	27,801	47,616	6,957	82,374	36,400
Southern Mahratta Railway	...	85,568	...	85,568	...
43.—Frontier Railways	97	102,832	...	102,929	138,700
44.—Irrigation and Navigation	1,591	513,861	235,452	750,904	200
45.—Military Works	5,825	1,012,303	...	1,018,128	3,800
46.—Civil Buildings, Roads, and Services	86,515	1,005,360	3,685,569	4,777,444	67,300
TOTAL	121,829	2,994,206	3,464,686	6,580,721	246,400
Army Services—					
47.—Army	5,017,422	11,904,292	...	16,921,714	3,975,000
48.—Military Operations in Egypt	6,162	47,874	...	54,036	...
TOTAL	5,023,584	11,952,166	...	16,975,750	3,975,000
49.—Exchange on Transactions with London	...	3,838,756	...	3,838,756	...
TOTAL	15,036,042	36,020,542	19,748,020	70,804,604	14,258,400
	51,056,584				
Surpluses	+1,387,496		+123,501	...	...
Deficits	...		—588,180	...	...
TOTAL AS PER ABSTRACT A	52,444,080		19,283,341	...	...
Expenditure on Productive Public Works (Capital Account)—					
50.—State Railways	769,728	2,233,343	...	3,003 071	901,300
East Indian Railway	510,319	233,298	...	743,617	324,000
Eastern Bengal Railway	55,942	...	...	55.942	1,001,200
51.—Irrigation and Navigation	8,573	701,111	...	709,684	5,000
Madras Irrigation and Canal Company's undertakings	12,785	...	...	12,785	...
52.—Miscellaneous Public Improvements	...	—533,070	...	—533,070	...
TOTAL	1,357,347	2,634,682	...	3,992,029	2,231,500

of Expenditure—continued.

₹10=£1

ESTIMATE, 1884-85.			Increase + Decrease — of Revised as compared with Budget Estimates, 1884-85.	BUDGET ESTIMATE, 1885-86.				Increase + Decrease — of Budget, 1885-86, as compared with Revised Estimates, 1884-85.
RIAL.	PROVINCIAL AND LOCAL.	TOTAL.		IMPERIAL.		PROVINCIAL AND LOCAL.	TOTAL	
India.	India.			England.	India.	India.		
£	£	£	£	£	£	£	£	£
18,738,800	16,571,400	45,347,200	+317,300	10,161,400	18,494,500	17,149,300	45,805,200	+458,000
93,500	97,600	191,100	+24,400	....	86,400	311,600	398,000	+206,900
163,200	12,700	175,900	—800	...	104,900	15,000	119,900	-56,000
40,700	13,900	91,000	+2,600	...	27,500	12,300	39,800	-51,200
148,300	...	148,300	+58,800	141,000	80,300	..	221,300	+73,000
...	...	138,700	+211,700	400,000	100,000	...	500,000	+361,300
555,300	226,800	782,300	+29,900	1,200	523,800	182,300	707,300	-75,000
969,600	...	973,400	+50,400	2,200	1,088,300	..	1,090,500	+117,100
437,100	3,564,600	4,069,000	+103,700	75,900	502,900	3,537,700	4,116,500	+47,500
2,407,700	3,915,600	6,569,700	+480,700	620,300	2,514,100	4,058,900	7,193,300	+623,600
11,995,200	...	15,970,200	—128,400	3,572,900	12,161,500	....	15,734,400	—235,800
...	...	...	...	...	...	...	...	...
11,995,200	...	15,970,200	-128,400	3,572,900	12,161,500	...	15,734,400	-235,800
3,252,900	...	3,252,900	-285,200	...	3,573,600	...	3,573,600	+320,700
36,394,600	20,487,000	71,140,000	+384,400	14,354,600	36,743,700	21,208,200	72,306,500	+1,166,500
50,653,000				51,098,300				
...	+119,200			+508,100		+28,900		
—716,200	-551,800			...		-753,100		
49,936,800	20,054,400			51,606,400		20,484,000		
2,179,300	...	3,080,600	—195,000	862,100	1,900,600	...	2,762,700	-317,900
295,000	...	619,000	+79,000	...	340,000	...	340,000	-279,000
270,000	...	1,271,200	+1,271,200	350,900	132,100	...	483,000	—788,200
756,600	..	761,600	-187,200	6,000	813,700	...	819,700	+58,100
...	...	...	...	...	...	...	...	...
...	...	...	...	...	...	...	...	...
3,500,900	...	5,732,400	+968,000	1,219,000	3,186,400	....	4,405,400	+1,327,000

Abstract C.—*Details of Receipts and Disbursements*

The figures in thick type are thos

	Accounts, 1883-84.			Revised Estimate, 1884-85.			Budget Estimate, 1885-86.		
	England.	India.	Total.	England.	India.	Total.	England.	India.	Total.
	£	£	£	£	£	£	£	£	£
Revenue (from Abstract A)	265,785	71,461,636	71,727,421	267,500	69,723,700	69,991,200	197,900	71,892,500	72,090,400
Permanent Debt incurred—									
Sterling Debt—									
(*a*) E. I. R. and E. B. R. Debt—									
3½ p. c. Redemption Stock	591,001	...		144,800	...		...	...	
3 p. c. Redemption Stock	...	...		222,000	...		...	...	
Debenture and Debenture Stock	...	...		811,600	...		...	...	
(*b*) Other Debt—									
3½ p. c. Stock	...	...		95,000	...		...	...	
3 p. c. Stock	...	...		3,000,000	...		...	...	
Proposed Loan	...	...		...	...		2,225,000	...	
Rupee Debt—									
4 p. c. Loans	...	2,500,019		...	8,200		...	...	
4 p. c. Stock Notes	...	24,713		...	...		...	...	
Miscellaneous	...	51		...	...		...	...	
Total	591,001	2,524,783	3,115,784	4,273,400	8,200	4,281,600	2,225,000	...	2,225,000
Net	...	...	3,062,953	...	...	1,155,400	...	...	2,205,000
Unfunded Debt—									
Temporary Loans	1,250,000	...		750,000					
Special Loans	...	...		...			...		
Treasury Notes and Service Funds	4,339	901,258		4,600	1,048,600		...	940,200	
Savings Bank Deposits		2,479,857			3,020,700		4,800	3,402,200	
Total	1,254,339	3,381,115	4,635,454	754,600	4,069,300	4,823,900	4,800	4,342,400	4,347,200
Net	...	...	352,480	...	...	855,000	...	...	648,400
Deposits and Advances—									
Unspent Balances of Provincial Allotments	...	123,501		...	119,200		...	28,900	
Commission for the Reduction of Debt	...	581,137		...	319,300		...	679,700	
Excluded Local Funds	...	763,554		...	584,000		...	569,300	
Political, Railway, and Military Prize Funds	...	25,112		...	39,400		...	31,300	
Departmental and Judicial Deposits	...	14,447,224		...	15,951,100		...	15,726,900	
Advances	6,802	5,828,645		3,200	9,605,700		2,000	9,939,500	
Suspense Accounts	...	47,828		...	5,000		...	13,000	
Miscellaneous	1,004,594	642,966		250,000	617,100		250,000	38,300	
Total	1,011,396	22,459,967	23,471,363	253,200	27,240,800	27,494,000	252,000	27,026,900	27,278,900
Net	...	...	0	...	...	725,300	...	...	236,100
Loans to Municipalities, Native States, &c.	...	278,702	278,702	...	261,600	261,600	...	376,900	376,900
Net	...	...	171,960	...	...	12,700	...	...	308,100
Capital of Guaranteed and Subsidized Companies	1,752,221	1,732,940		1,148,500	1,715,900		3,464,800	1,612,900	
Capital of Southern Mahratta Railway	151,480	300		1,704,500	3,200		...	2,300	
Western Deccan Railway	...	3,958			...		...	...	
Total	1,903,701	1,737,198	3,640,899	2,853,000	1,719,100	4,572,100	3,464,800	1,615,200	5,080,000
Net	...	...	0	...	...	0	...	...	0
Carried over	5,026,222	101,843,401		8,401,700	103,022,700		6,144,500	105,253,900	

Other than Revenue and Expenditure.

which appear in the General Account.

₹10 = £1

	Accounts, 1883-84.			Revised Estimate, 1884-85.			Budget Estimate, 1885-86.		
	England.	India.	Total.	England.	India.	Total.	England.	India.	Total.
	£	£	£	£	£	£	£	£	£
Expenditure (from Abstract B)	15,036,042	55,768,562	70,804,604	14,258,400	56,881,600	71,140,000	14,354,600	57,951,900	72,306,500
Add—Provincial Surpluses transferred to "Deposits"	...	+123,501	+123,501	...	+119,200	+119,200	...	+28,900	+28,900
Deduct—Provincial Deficits charged against "Deposits"	...	—588,180	—588,180	...	—551,800	—551,800	...	—753,100	—753,100
Productive Public Works Capital Expenditure	1,357,347	2,634,682	3,992,029	2,231,500	3,500,900	5,732,400	1,219,000	3,186,400	4,405,400
Permanent Debt discharged—									
Sterling Debt—									
(*a*) E. I. R. & E. B. R. Debt—									
3½ p. c. Redemption Stock	...	...		...	...		...	...	
3 p. c. Redemption Stock	...	...		...	...		...	...	
Debenture and Debenture Stock	35,140	...		84,300	...		...	...	
(*b*) Other Debt—									
India Debentures	...	...		3,006,500	...		...	...	
East India Bonds	1,400	...		1,200	...		...	...	
5 p. c. Stock	3,491	...		1,000	...		...	...	
3½ p. c. Stock	...	...		...	...		...	...	
3 p. c. Stock	...	...		...	...		...	...	
Proposed Loan	...	...		...	...		...	...	
Rupee Debt—									
4 p. c. Loans	...	1,301		...	...		...	...	
4 p. c. Stock Notes	...	...		...	4,200		...	...	
Loans under discharge	...	10,976		...	29,000		...	20,000	
Miscellaneous	...	523		...	...		...	...	
Total	40,031	12,800	52,831	3,093,000	33,200	3,126,200	...	20,000	20,000
Net	...	...	0	...	...	0	...	...	0
Unfunded Debt—									
Temporary Loans	1,250,000	...		750,000	...		...	...	
Special Loans	...	144,000		...	24,000		...	...	
Treasury Notes and Service Funds	835	681,374		800	796,700		1,000	759,700	
Savings Bank Deposits	...	2,206,765		...	2,397,400		...	2,938,100	
Total	1,250,835	3,032,139	4,282,974	750,800	3,218,100	3,968,900	1,000	3,697,800	3,698,800
Net	...	...	0	...	...	0	...	...	0
Deposits and Advances—									
Unspent Balances of Provincial Allotments	...	588,180		...	551,800		...	753,100	
Commission for the reduction of Debt	1,001,393	756,065		...	3,000		...	2,000	
Excluded Local Funds	...	784,176		...	574,400		...	535,300	
Political, Railway, and Military Prize Funds	...	43,020		...	36,200		...	34,900	
Departmental and Judicial Deposits	...	14,462,132		...	15,914,700		...	15,683,900	
Advances	183	5,692,645		3,200	9,547,800		2,000	9,963,500	
Suspense Accounts	...	231,389		...	39,300		...	30,100	
Miscellaneous	1,294	601,119		...	98,300		...	38,000	
Total	1,002,870	23,158,726	24,161,596	3,200	26,765,500	26,768,700	2,000	27,040,800	27,042,800
Net	...	...	690,233	...	...	0	...	...	0
Loans to Municipalities, Native States, &c.	...	106,742	106,742	...	248,900	248,900	...	68,800	68,800
Net	...	...	0	...	...	0	...	...	0
Capital of Guaranteed and Subsidized Companies	2,077,266	1,734,585		2,559,500	1,570,800		2,972,600	1,638,200	
Capital of Southern Mahratta Railway	235,205	408,116		294,800	725,000		500,000	872,300	
Capital of Western Deccan Railway	...	29,316			—25,300			...	
Total	2,312,471	2,172,017	4,484,488	2,854,300	2,270,500	5,124,800	3,472,600	2,510,500	5,983,100
Net	...	...	843,589	...	...	552,700	...	...	903,100
Carried over	20,999,596	86,420,989		23,191,200	92,486,100		19,049,200	93,752,000	

Abstract C.—*Details of Receipts and Disbursements*

	Accounts, 1883-84.			Revised Estimate, 1884-85.			Budget Estimate, 1885-86.		
	England.	India.	Total.	England.	India.	Total.	England.	India.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward	5,026,222	101,843,401		8,401,700	103,022,700		6,144,500	105,253,900	
Remittances—									
Inland Money Orders	...	7,313,417		...	8,101,800		...	9,000,000	
Other Local Remittances (net)	...	...		...	28,900		...	14,000	
Other Departmental Accounts	...	998,291		...	874,100		...	1,004,400	
Net Receipts by Civil Treasuries from—									
Post Office	...	464,517		...	605,200		...	462,600	
Guaranteed Railways	...	4,274,510		...	4,218,900		...	3,987,300	
Net Receipts from Civil Treasuries by—									
Telegraph	...	91,027		...	92,300		...	120,000	
Marine	...	225,222		...	171,500		...	211,600	
Military	...	10,786,933		...	11,333,700		...	11,629,600	
Public Works	...	4,547,752		...	5,796,600		...	5,238,300	
Remittance Account between England and India	429,719	1,389,298		423,500	1,307,700		1,088,700	1,400,500	
Total	429,719	30,090,967	30,520,686	423,500	32,530,700	32,954,200	1,088,700	33,068,300	34,157,000
Net	...	...	10,120	...	...	301,100	...	...	170,300
Secretary of State's Bills drawn	17,599,805	...	17,599,805	13,795,300	...	13,795,300	13,773,700	...	13,773,700
Total Receipts	23,055,746	131,934,368		22,620,500	135,553,400		21,006,900	138,322,200	
Opening Balance	3,429,874	14,821,550		4,113,221	13,199,926		2,213,121	11,926,026	
Grand Total £	26,485,620	146,755,918		26,733,721	148,753,326		23,220,021	150,242,226	

FORT WILLIAM,
DEPT. OF FINANCE AND COMMERCE;
The 17th March 1885.

E. W. KELLNER,
Deputy Comptroller General.

other than Revenue and Expenditure—continued.

₹10 = £1

	Accounts, 1883-84.			Revised Estimate, 1884-85.			Budget Estimate, 1885-86.		
	England.	India.	Total.	England.	India.	Total.	England.	India.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward	20,999,596	86,420,989		23,191,200	92,486,100		19,049,200	93,752,000	
Remittances—									
Inland Money Orders	...	7,288,981		...	8,101,800		...	9,000,000	
Other Local Remittances	(Net)	26,441		...	...		...	...	
Other Departmental Accounts	...	1,015,644		...	875,000		...	1,003,500	
Net Payments into Civil Treasuries by—									
Post Office	...	470,026		...	605,200		...	462,600	
Guaranteed Railways	...	4,274,510		...	4,118,900		...	3,987,300	
Net Issues from Civil Treasuries to—									
Telegraph	...	92,583		...	92,300		...	120,000	
Marine	...	227,487		...	171,500		...	211,600	
Military	...	10,779,291		...	11,333,700		...	11,629,600	
Public Works	...	4,571,315		...	5,312,100		...	5,238,300	
Remittance Account between England and India	1,372,803	391,485		1,329,400	713,200		1,474,700	859,100	
TOTAL	1,372,803	29,137,763	30,510,566	1,329,400	31,323,700	32,653,100	1,474,700	32,512,000	33,986,700
NET	...	...	0	...		0	...		0
Secretary of State's Bills paid	...	17,997,240	17,997,240	...	13,023,500	13,023,500	...	13,773,700	13,773,700
Total Disbursements	22,372,399	133,555,992		24,520,600	136,833,300		20,523,900	140,037,700	
Closing Balance	4,113,221	13,199,926		2,213,121	11,920,026		2,696,121	10,204,526	
Grand Total	26,485,620	146,755,918		26,733,721	148,753,326		23,220,021	150,242,226	

J. WESTLAND,
Comptroller and Auditor General.

D. BARBOUR,
Secretary to the Government of India.

Abstract D.—*Account of Provincial and Local Savings charged to Revenue, and held at the disposal of Provincial Governments under their Provincial contracts.*

Provincial and Local Balances.

NOTE.—These balances do not include the Balances of Deposits and Advances upon Local Fund Accounts.

	India.	Central Provinces.	Burmah.	Assam.	Bengal.	N.-W. P. & Oudh.	Punjab.	Madras.	Bombay.	TOTAL.
	£	£	£	£	£	£	£	£	£	£
Accounts, 1883-84.										
Balance at end of 1882-83(*a*)	9,535	231,818	223,577	117,541	386,226	1,075,960	305,854	710,437	552,947	3,613,895
Added in 1883-84	...	82,108	...	...	...	...	16,205	25,188	...	123,501
Spent in 1883-84	28	...	95,020	5,271	123,533	354,946	...	...	9,382	588,180
Balance at end of 1883-84	9,507	313,926	128,557	112,270	262,693	721,014	322,059	735,625	543,565	3,149,216
Revised Estimate, 1884-85.										
Balance at end of 1883-84 (by Accounts).	9,507	313,926	128,557	112,270	262,693	721,014	322,059	735,625	543,565	3,149,216
Added in 1884-85	...	1,400	...	...	117,800	...	...	...	...	119,200
Spent in 1884-85	2,100	...	105,700	49,700	...	107,800	38,600	140,700	107,200	551,800
Balance at end of 1884-85	7,407	315,326	22,857	62,570	380,493	613,214	283,459	594,925	436,365	2,716,616
Budget Estimate, 1885-86.										
Balance at end of 1884-85 (by Revised Estimate.)	7,407	315,326	22,857	62,570	380,493	613,214	283,459	594,925	436,365	2,716,616
Added in 1885-86	...	...	28,900	...	...	...	...	...	...	28,900
Spent in 1885-86	3,300	64,700	...	13,300	51,000	501,800	57,300	56,400	5,300	753,100
Balance at end of 1885-86	4,107	250,626	51,757	49,270	329,493	111,414	226,159	538,525	431,065	1,992,416

(*a*) See Appropriation Report, Abstract D.

W. KELLNER,
Deputy Comptroller General.

J. WESTLAND,
Comptroller and Auditor General.

D. BARBOUR,
Secretary to the Government of India.

FORT WILLIAM,
DEPT. OF FINANCE AND COMMERCE;
The 17th March 1885.

Abstract E.—*Statement of Net Revenue and Expenditure.*

Net Revenue.

	Accounts, 1883-84.					Revised Estimate, 1884-85.					Budget Estimate, 1885-86.				
	Gross Revenue.	Refunds and Drawbacks.	Total after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.	Gross Revenue.	Refunds and Drawbacks.	Total after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.	Gross Revenue.	Refunds and Drawbacks.	Total after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Land Revenue	22,361,899	221,589	22,140,310	3,329,147	18,811,163	21,546,300	62,300	21,484,000	3,346 600	18,137,400	22,334,200	59,300	22,274,900	3,444,300	18,830,600
Opium	9,556,501	711	9,555,790	1,854,690	7,701,100	8,850,000	700	8,849,300	2,946,500	5,902,800	9,025,500	1,000	9,024,500	2,478,200	6,546,300
Salt	6,145,413	34,597	6,110,816	446.641	5,664,175	6,350,000	28,100	6,321,900	459,600	5,862,300	6,400,000	37,600	6,362,400	492,300	5,870,100
Stamps	3,513,201	39,272	3,473,929	109,094	3,364,835	3,578,000	41,700	3,536,300	129,400	3,406,900	3,633,400	44,200	3,589,200	129,500	3,459,700
Excise	3,836,961	30,478	3,806,483	92,359	3,714,124	4,013,500	23,200	3,990,300	103,400	3,886,900	4,070,000	21,800	4,048,200	123,500	3,924,700
Provincial Rates	2,878,731	10,687	2,868,044	54,547	2,813,497	2,793,900	7,200	2,786,700	111,400	2,675,300	2,856,800	7,800	2,849,000	113,500	2,735,500
Customs	1,187,266	31,163	1,156,103	139,345	1,016,758	1,030,000	31,900	998,100	136,800	861,300	1,175,000	33,500	1,141,500	133,200	1,008,300
Assessed Taxes	526,087	15,968	510,119	13,214	496,905	511,800	15,100	496,700	13,200	483,500	514,900	15,300	499,600	13,400	486,200
Forest	1,052,190	2,913	1,049,277	649,375	399,902	982,300	2,600	979,700	701,500	278,200	1,061,000	2,700	1,058,300	729,600	328,700
Registration	258,955	892	258,063	167,091	90,972	280,800	1,100	279,700	176,700	103,000	281,800	1,200	280,600	181,100	99,500
Tributes from Native States	720,487	...	720,487	...	720,487	695,200	...	695,200	...	695,200	691,300	...	691,300	...	691,300
	52,037,691	388,270	51,649,421	6,855,503	44,793,918	50,631,800	213,900	50,417,900	8,125,100	42,292,800	52,043,900	224,400	51,819,500	7,838,600	43,980,900
Deduct—Assignments and Compensations					1,238,840					1,232,100					1,248,500
					43,555,078					41,060,700					42,732,400
Productive Public Works			13,240,507	12,033,873	1,206,634			12,923,900	12,358,000	565,900			13,707,000	13,033,600	673,400
Total Net Revenue					44,761,712					41,626,600					43,405,800

Net Expenditure.

	Accounts, 1883-84.			Revised Estimate, 1884-85.			Budget Estimate, 1885-86.		
	Gross Expenditure.	Receipts.	Net Expenditure.	Gross Expenditure.	Receipts.	Net Expenditure.	Gross Expenditure.	Receipts.	Net Expenditure.
	£	£	£	£	£	£	£	£	£
Interest	4,276,266	...	4,276,266	4,404,900	...	4,404,900	3,953,000	...	3,953,000
Post Office, Telegraph & Mint	1,984,058	1,672,761	311,297	2,131,300	1,789,200	342,100	2,216,400	1,792,900	423,500
Civil Departments	11,250,038	1,427,729	9,822,309	11,472,400	1,402,100	10,070,300	11,778,200	1,426,300	10,351,900
Miscellaneous Civil Charges	3,882,529	1,512,604	2,369,925	3,909,500	1,369,400	2,540,100	4,012,500	1,346,500	2,666,000
Famine Relief and Insurance	1,500,000	...	1,500,000	1,500,000	...	1,500,000	1,500,000	...	1,500,000
Public Works not classed as Productive	6,580,721	879,897	5,700,824	6,569,700	1,008,700	5,561,000	7,193,300	920,400	6,272,900
Army Services	16,975,750	956,232	16,019,518	15,970,200	866,100	15,104,100	15,734,400	853,400	14,881,000
Exchange on Transactions with London	3,838,756	...	3,838,756	3,252,900	...	3,252,900	3,573,600	...	3,573,600
	50,288,118	6,449,223	43,838,895	49,210,900	6,435,500	42,775,400	49,961,400	6,339,500	43,621,900
	Surplus.	Deficit.							
Provincial and Local Surpluses and Deficits	+123,501	—588,180	—464,679	+119,200	—551,800	—432,600	+28,900	—753,100	—724,200
Total Net Expenditure			43,374,216			42,342,800			42,897,700
Surplus (+) or Deficit (—)			+1,387,496			—716,200			+508,100
			44,761,712			41,626,600			43,405,800

FORT WILLIAM,
DEPT. OF FINANCE AND COMMERCE;
The 17th March 1885.

E. W. KELLNER,
Deputy Comptroller General.

J. WESTLAND,
Comptroller and Auditor General.

D. BARBOUR,
Secretary to the Government of India.

GOVERNMENT OF INDIA.

DEPARTMENT OF FINANCE AND COMMERCE.

FINANCIAL STATEMENT

FOR

1886-87.

CALCUTTA:
PRINTED BY THE SUPERINTENDENT OF GOVERNMENT PRINTING, INDIA.
1886.

FINANCIAL STATEMENT for 1886-87.

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APPENDIX I.

ACCOUNTS AND ESTIMATES.

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FINANCIAL STATEMENT for 1886-87.

1. The present situation and the immediate prospects of Indian finance have so recently formed the subject of explanation in the Legislative Council that much which would otherwise have needed explanation in this Financial Statement has been in great measure anticipated. The broad facts of the case, so far as the action of the Government is concerned, are that, on the one hand, we have brought on to our estimates from the commencement of 1886-87 provision designed to meet an increase to our expenditure which ultimately will be not less than £2,000,000 in connection with military charges, and the interest on the capital expended on strategic railways and frontier works, and that, on the other, we have added about £800,000 to our resources by converting the License Tax into a Tax upon non-agricultural Incomes. Were this the only new aspect of our position, the prospect would be sufficiently clear. But unhappily outside these changes the position, as was explained in January, is very much complicated by the absolute uncertainty which hangs over the silver market. The fact that India, whose currency and revenue are in silver, has incurred heavy obligations in gold, has introduced into our financial situation since the fall of silver commenced an element which experience shews to be one of the most serious dangers with which Indian administration has been hitherto menaced. This difficulty of silver is not new, but it has lately reached a point beyond all previous experience; and it is more felt in proportion as we pursue a more active policy in regard to public works, such as military and other considerations have lately led us to adopt. Our requirements of all kinds are increasing, whether for material for our railways, or for sterling loans to enable us to construct them; but, owing to the fall in the value of silver as compared with gold, our power of meeting our engagements, without the adoption of measures calculated to derange and cripple our administration, is constantly diminishing. Owing, further, to the oscillation in the silver market, there is now little practical control over surplus, equilibrium, or deficit, in the Indian Budget.

Financial situation explained in the debate on the Income Tax Bill in January.
Increased revenues and expenditure.
The silver difficulty.

2. The effect of this uncertainty is in many ways prejudicial. Apart altogether from the difficulties which it forces upon us, it throws doubt and discredit on our financial position and on the sufficiency of our resources, and must tend, therefore, to depreciate our credit in the money market. The estimates are framed for the ensuing year at 1*s.* 6*d.*; and on the supposition that the rupee will remain at 1*s.* 6*d.*, we of the Financial Department believe that our estimates will be justified by experience. But neither we, nor any one else, can feel any assurance of any kind whatever that the rupee will remain at 1*s.* 6*d.* That depends on a variety of considerations which lie altogether outside the hands of the Government of India. It is probable, for example, that the success or failure of the present Budget, so far as concerns its exhibit of surplus or of deficit, will be determined not in the working of the departments of the Government of India, but by the decision taken at Washington in regard to the coinage of silver in America. The mere fact of surplus or deficit on an Indian Budget, in the conditions in which it has now-a-days to be calculated, is very little index to the prudence or foresight with which that Budget has been prepared. If during the course of the year silver suddenly falls (as of late it has fallen), the best calculations

are at once defeated. Nor is this all. Provision, not for one year, but for a longer term—in other words, taking stock or framing a forecast of our financial position—is impracticable, because at any time we may find resources which we had every reason to believe sufficient, swallowed up to meet the increased exigencies of exchange. So long as there seemed any possibility that silver would recover, it was possible to maintain some feeling of hopefulness. Circumstances favoured us shortly after the first few years of the silver difficulty. The capital expended on railway construction began to bear fruit. India entered as a formidable competitor into the European markets. Prices of commodities in general in Europe, and with the prices of other commodities the price of silver, shewed temporary symptoms of recovery in 1880 and 1882. But with the return of the progressive fall in general prices in 1883, silver fell too, sharing with other commodities the depressing effect of the growing appreciation of gold. There are no indications at present of the recovery of prices of commodities in general in their ratio to gold, and we cannot, therefore, anticipate any such stimulus to the rate of exchange as would result from a general rise of prices in the countries which take our exports. On the other hand, some of the causes which maintain silver at its present price may be removed; should any of these causes cease to act, the downward progress of silver prices will probably be, for a time at least, more considerable than hitherto. Hence there is too much ground for believing that the more hopeful views which may have been entertained from the seeming recoveries of 1880 and 1882, and which still linger in many minds, have now no reasonable basis; and that at a time when silver remains far below any previous experience, and when we are compelled to make considerable unproductive additions to our expenditure. It is therefore impossible for those who are responsible for the administration of India to take a sanguine view of the effects of the fall in silver upon the country, or to establish a distinction between the material interests of the country and its fiscal interests. Opinions differ widely as to the effect on the general prosperity of the country of the fall in the gold value of the rupee; the returns of the Income Tax, when received, will very possibly throw some light on the question of the material progress of India during recent years. So far as the wealth of the country depends on improvement in its railway communication, on the extension of our power of bringing our produce to the sea-board, and on the strengthening of our credit, the fall in silver, by intensifying the difficulties of the Government in respect of exchange and of loans, and thereby crippling our available resources, is unquestionably detrimental. So far as it introduces a growing element of uncertainty into transactions, whether of the Government or of commerce, it is also injurious.

Equilibrium of India Budgets dependent on oscillations in the price of silver, which shews no symptoms of recovery.

3. The wide divergence of the value of the rupee from 2*s.* has rendered it impossible to maintain any longer in our accounts the fiction that one rupee is equal to two shillings, and the accounts and estimates attached to the present Statement are framed on the supposition that the rupee is worth simply what it will fetch, which is the actual rate of exchange obtained by the Secretary of State for bills and transfers sold during the year.

Change in the mode of exhibiting exchange introduced into the accounts with the present Budget.

4. Before going further it is necessary to explain at some little length the important change which has been made in the method of combining in the accounts the sterling and rupee transactions of the Government of India. It will be convenient to give a brief summary of the methods which have been hitherto adopted at different times for this purpose. Up to 1855 the accounts connected with British India submitted to Parliament were stated in rupees so far as related to transactions in India, and in sterling so far as related to transactions in England, a general abstract being given in which rupees were converted into sterling at the rate of 2 shillings per sicca rupee (equal to 1*s.* 10$\frac{1}{2}$*d.* per

Company's rupee); the final surplus or deficit was stated in sterling money. In the accounts for 1854-55, and subsequent years, rupees were converted into sterling at 1*s.* 10½*d.* per Company's rupee, and this course was followed till 1859. In that year the Secretary of State for India directed that the rate should be 2 shillings per rupee, mainly on the ground that the rate fixed for the adjustment of transactions between the British and Indian Governments for 1859-60 was 2 shillings, while the commercial rate was still higher. The rate of 2 shillings per rupee was not inappropriate at the time it was first adopted, and has in practice been maintained up to the present year, the entries regarding rupee and sterling transactions having been combined as if ₹10 were equal to one pound sterling. This method of combining rupee and sterling transactions, though it is not without some advantages, has been for many years inaccurate and misleading.

5. For instance, if ₹10,000 were spent in India under a particular head, and £500 sterling were spent in England, the total sum shewn in the accounts as expended was £1,500. It would be impossible for any one who had not access to the original documents to say what this sum of £1,500 really represented. It was not 1,500 pounds sterling, and it was not 15,000 rupees. The entry in fact involved an error which increased in magnitude in proportion to the amount by which the value of the rupee fell below two shillings. In adjustment of all such errors an entry of loss by exchange was made in the expenditure account of each year. Thus, in the case above stated, the real amount of expenditure, taking the rupee at 1*s.* 6*d.*, was ₹10,000+₹6,666, or ₹16,666; as the amount shewn as expended was only ₹15,000, the difference would be adjusted by a separate entry of ₹1,666 under Exchange. Using the ordinary Indian notation under which ₹10 = £1, the entries in the accounts became £1,500 under the particular general head of Expenditure, and £167 under the adjusting head of Exchange. Whatever the advantages of this system of accounting may have been, it must be admitted that so long as it was followed, the separate entries of expenditure in the accounts were frequently incorrect in themselves, and therefore misleading, although the total expenditure was rendered with approximate accuracy by means of the adjusting entry under Exchange. Moreover, the adjusting entry was not necessarily a complete adjustment. For instance, if the Government of India did not remit to England in any year a sufficient amount of money to meet the home expenditure of the year, the adjustment was too small by the exchange on the sum short remitted. On the other hand, the adjusting entry frequently included items of loss by exchange which were not a proper charge against revenue.

6. The evils of such a system of accounting are obvious. The entries under some of the service heads of expenditure are unduly reduced, and the general entry under exchange is sometimes too large and sometimes too small. The Government of India has long been of opinion that a change was necessary, and proposed in 1872, as well as on various subsequent dates, to introduce a different system. I am glad to say that the matter has at length been finally settled with the concurrence of Her Majesty's Secretary of State for India. The estimates of the coming year are presented according to the new system, the essential feature of which is that the pound sterling is converted into rupees at the actual average rate of exchange for the year, and that the only loss or gain by exchange, other than the exchange added to the figures of gold transactions in order to reduce them to rupees, shewn in the revenue and expenditure account is the real loss or gain which is due to a transaction being carried out, under contract or as a concession, at a fixed rate of exchange which differs from the actual rate of the year. A short illustration will explain the exact nature of

the gain or loss due to a transaction being carried out at a rate of exchange other than the actual rate of the time. If, for instance, in 1886-87 the Government of India should allow an officer to remit £100 out of his pay to England at the rate of 1*s.* 6¼*d.*, while the actual average rate of the year should be 1*s.* 6*d.* only, there will be a real loss of ₹18, arising in the following manner—at the rate of 1*s.* 6¼*d.*, Government accepts ₹1,315, as the equivalent of £100 true sterling, and it pays this sum in England to the officer's representative, though at an exchange of 1*s.* 6*d.*, the sum of £100 has cost it ₹1,333. In other words, Government receives ₹1,315, and pays out ₹1,333, and actually loses ₹18 by the transaction. The total net loss or gain involved in transactions of this nature is not very great, though the actual transactions in connection with Railway Companies, which are adjusted at contract rates of exchange, are of very considerable magnitude. The amount of real gain or loss which will in future be shewn in the revenue and expenditure accounts will be included under a head called Exchange, which will now be of comparatively minor importance. The amount so entered as a charge in the Estimates of 1886-87 is only £137,700. It is not desirable, in connection with the change now made, to enter into an elaborate explanation of the extremely complicated nature of our exchange transactions, due mainly to the contracts with the Railway Companies. It will suffice if the reader will bear in mind the fact that in our general accounts sterling will in future be converted into rupees at the actual average rate of the year, that the only other gain or loss by exchange shewn in these accounts is the true gain or loss due to the Government conducting certain special transactions at rates which vary more or less from the actual average rate, and that consequently the general account of our revenue and expenditure is a silver or rupee account, although, for the convenience of the English reader, we may use the sterling notation.

7. In other words, the reader, when he comes across an entry of £1,500 in the general account for England and India, will know that it represents exactly 15,000 rupees, and that it is not made up of an unknown number of pounds sterling, and an equally unknown number of rupees converted into pounds at an arbitrary rate of ₹10 = £1. The reform will simplify the keeping of capital accounts for the different Railways, and will enable the true profit or loss on each Railway to be ascertained more readily than can be done under the existing system. It has been necessary, for purposes of comparison, to recast the accounts of 1884-85 and to prepare the Revised and Budget Estimates of 1885-86 in a form corresponding to that adopted for the Estimates of 1886-87, and for the same reason the accounts of the past ten years have been recast, and are published as an Appendix to this Statement. From the explanation given in the foregoing remarks, it will be readily understood that as the exchange on all transactions is now exhibited in the accounts of the year, and not merely the exchange on the sums drawn during the year by the Secretary of State (which bears no necessary immediate correspondence to the transactions), the final issue of the year's operations, as exhibited in surplus or deficit, may be to some extent modified.

8. A change has also been made in the method of dealing in the general accounts with the transactions connected with Railways and Irrigation works which requires some explanation.

Hitherto Capital expenditure on Railways has been shewn in the accounts under four different heads, namely—

Protective Railways, under the grant for Famine Relief and Insurance;
Frontier Railways;
Productive Railways (not charged against revenue);

State Railways; under this head was shown all Capital Railway expenditure not included in the three heads just enumerated.

The Parliamentary Committee which sat on Indian Railways in 1884 reported that the technical distinction between Productive and Protective Railways could not be maintained, and it has consequently been decided to treat the Capital expenditure on Indian Railways on a uniform plan.

9. For special reasons, connected with the nature of the grant for Famine Relief and Insurance, it is necessary to shew separately the Capital expenditure on Railways which is charged against this grant; but all other Capital expenditure on Indian Railways (whatever may be the object with which the Railway is constructed) will in future be divided into two classes, according as it is charged against Revenue or borrowed money, and the corresponding heads in the accounts will henceforth be "37, CONSTRUCTION OF RAILWAYS (charged against Revenue in addition to that under Famine Insurance)" and 47, STATE RAILWAYS (Construction and Redemption of Liabilities)"; expenditure under the latter head will be charged outside the ordinary Revenue and Expenditure account.

10. A somewhat similar change has been made in the mode of dealing with the Revenue account of all Railways. Hitherto the Revenue accounts of Indian Railways have been divided into three classes, one for Railways technically known as Productive, and including the transactions connected with the working of Productive State Railways and Guaranteed Railways, the other for State Railways not technically known as Productive, and the third for Subsidized Railways. The latter account was not a proper Revenue account of the Railway as a working concern, but an account shewing how the public revenues were affected by the contracts with Subsidized Railways; the same remark is applicable, though in a less degree, to the entries on account of Guaranteed Railways.

11. In future there will be but one Revenue account for all Railways, and this account will be in the following form :—

REVENUE.	EXPENDITURE.
XXVI.—State Railways (Gross Traffic Receipts).	38.—State Railways: Working expenses.
	Interest on Debt.
	Annuities in purchase of Railways.
	Interest on capital deposited by Companies.
XXVII.—Guaranteed Companies (Net Traffic Receipts).	39.—Guaranteed Companies: Surplus Profits, Land, and Supervision.
	Interest.
XXVIII.—Subsidized Companies (Repayment of advances of Interest.)	40.—Subsidized Companies: Land, &c.
	Advances of Interest.
	41.—Miscellaneous Railway Expenditure.

12. By bringing together all current receipts and expenditure on account of Railways, and by adding to the figures of sterling transactions in England the exchange necessary to convert them into rupees at the actual average rate of the year (as already explained), a means is provided for enabling the public to ascertain readily and correctly the financial effect of the general Railway policy of the Government of India. The Government of India was willing to go even further in simplifying the record in the main accounts of the financial results of our railway policy, and would practically have reduced the entries on the

Revenue account of Railways to a single net entry, but the Secretary of State, after considering the arguments on both sides, has decided that these transactions may more appropriately be shewn in greater detail. If the suggestion of the Government of India had been accepted, the details of the results of the working of the Railways would have been shewn in subsidiary statements.

13. Changes similar to those made in the case of Railways have also been introduced in connection with Productive Irrigation Works as well as for all other important Irrigation Works for which complete Revenue and Capital Accounts are kept.

14. In future the Capital Expenditure on such works will be shewn exactly like that on Railways (1) under the grant for Famine Relief and Insurance, (2) as a charge against ordinary Revenue, or (3) as a charge against loan. The financial results of working will be shewn under the following heads:—

Revenue.	Expenditure.
XXIX, Major Works: Direct Receipts. Portion of Land Revenue due to Irrigation.	42, Major Works: Working Expenses. Interest on Debt.

All other expenditure on Irrigation and Navigation, excluding Capital expenditure on Major Works for which complete Capital and Revenue Accounts are kept, will be shewn under the new heads of XXX and 43, "Minor Works and Navigation."

15. I also wish to call attention to the fact that receipts by the Government of India in the form of Interest have now been removed from the head of Miscellaneous and shewn under a separate Major Head. The main accounts of the Government will now shew on their face the total receipts and expenditure in rupees of the Government on account of interest on money lent, borrowed, or invested, and will also explain the extent to which debt has been incurred for the purpose of constructing Railways and the great Irrigation Works. Thus, in round numbers, the total charge for interest in 1886-87 is estimated to be 798 lakhs of rupees, of which 310 lakhs is due to construction of Railways, and 100 lakhs to expenditure on great Irrigation Works, while the balance of 388 lakhs is on account of general debt. On the opposite side of the account there will be receipts in the form of interest amounting to 64 lakhs, of which, however, 25 lakhs is derived from the Paper Currency investment.

16. The Government of India and the public are indebted, for the prosecution and completion of the great reform in our accounts which I have now described, to Mr. Barbour, Secretary to the Government in this Department, to Mr. Gay, Acting Comptroller General, and to Colonel Filgate, R.E., Accountant General in the Department of Public Works, in conjunction with Mr. Westland, Comptroller General, and Mr. Waterfield, C.B., Financial Secretary at the India Office. Apart from the labour inseparable from the rearrangement of the accounts, the settlement of this question has involved decisions on a variety of points of great intricacy and complexity in respect of which the experience and judgment of the officers I have named have been quite invaluable.

Accounts of 1884-85.

17. The accounts of 1884-85 give the following results:—

	£
Revenue	70,690,681
Expenditure	71,077,127
Deficit	386,446

The deficit on the Revised Estimates of 1884-85 amounted to £716,200, according to the former method of exhibiting exchange; and the deficit on the

accounts, if they had been prepared according to the same method, would have been £149,735, the difference between that figure and the deficit above exhibited being due to the change in the form of the accounts. It was said in the debate on the Income Tax Bill that the accounts then about to close were likely to show equilibrium; and the above small deficit of £149,735, as the outcome of transactions exceeding in the aggregate £70,000,000 on each side of the account, may reasonably be regarded as exhibiting an even balance, during the year, of revenue and expenditure. The detailed figures of the year's accounts are examined in the Appropriation Audit Report, which will be published in the *Gazette of India* of the 27th instant and need not be commented upon here, further than to say that, after the year had closed, it was found that, owing to the Rawalpindi Durbar and other causes, railway receipts had considerably improved during March, and that the receipts from salt were unusually large during the same month, while arrears of land revenue which had been expected owing to remissions and suspensions in the Madras and Bombay Presidencies, proved less than had been anticipated.

1884-85 the last year of undisturbed financial prosperity.

18. The year 1884-85 was, however, the last year in which a balance of revenue and expenditure, on the basis determined by the arrangements of 1882-83, was to be maintained. The changes of 1882-83 were followed by the equilibrium of the finances for three years, and but for the extraordinary war expenditure of 1885-86 the arrangements then brought into force would have held good for a fourth year. But with the latter year the old order of things abruptly passed away. At the time the Budget of 1885-86 was presented it had already become possible that it would not be many weeks old before it would need to be entirely recast, so far as concerned its military estimates. The military preparations made during 1885-86 were on far too large a scale to admit of the expectation that they would be in any sensible degree balanced by reductions of civil expenditure during the year, and the main question of any interest to the public connected with the estimates of 1885-86 that now remains is how far, military expenditure apart, the estimates have been borne out by the results of the year, so far as they can at present be determined; in other words, how far results as at present known have justified the calculations in the Budget, considered apart from the disturbing element of war preparations, and regarded as the last of the four Budgets prepared upon the lines of 1882.

Revised Estimates, 1885-86.

Revised Estimates of 1885-86.

19. The Revised Estimates of 1885-86 give the following results:—

	£
Receipts	73,598,100
Expenditure	76,488,900
Deficit	2,890,800

Deficit of 1885-86 entirely due to the military operations of the year, and to the expedition to Burma.

The deficit of 1885-86 is thus £2,890,800, which is entirely due to the excess expenditure caused by the military preparations of the year, increased political expenditure, and the cost of the expedition to Burma. A few figures will make this clear.

20. The estimated military expenditure of 1885-86 was £16,674,600, the actual expenditure promises to be £19,724,300, an increase of £3,049,700. Of this increase £221,900 is due to the fall in the rate of exchange, which added to the rupee cost of the home expenditure, leaving £2,827,800 as the increase due to the Army during the current year. This amount is less than the deficit of the year by only £63,000, and if we take into account the increased Political expenditure of £463,200 caused by the complications of 1885-86, it will be seen that had it not been for the difficulties on our North-West Frontier and the

expedition to Burma, the year would have ended with a surplus of £400,200. As this is rather more than the amount of economies in Imperial expenditure which, in consequence of military preparations, were enforced during the course of the present year, it is obvious that but for political and military complications the year would have ended with financial equilibrium.

21. The estimates, whether of Revenue or Expenditure, so far as they were independent of war, exchange, the traffic on what is now a vast railway system, and the very uncertain element of opium, have been very closely realised in the year 1885-86. The Imperial share of the Revenue for 1885-86 was estimated at £51,843,600; the Revised Estimates shew a Revenue of £52,921,600, or an increase of £1,078,000, which is due to the extent of £955,000 to increased Railway traffic and consequent improvement in receipts from Railways. Apart, therefore, from the receipts from Railways, the actual Revenue, so far, promises to differ from the estimated revenue by only £122,900. Under "Principal Heads of Revenue," which is by far the most important head of receipt, against an estimated Revenue of £35,347,400, the Revised Estimate gives £35,057,700, a difference of £289,700, or ·8 per cent. only. On the other side of the account, the Expenditure of 1885-86 was estimated at £51,197,000; the Expenditure in the Revised Estimates comes to £55,812,400, a difference of £4,615,400. Deducting from this £2,827,800 on account of increased military expenditure, £463,200 on account of increased political expenditure, £630,800 for the abnormal crop of opium, and £522,600 on account of working expenses of Railways due to increased traffic, £4,444,400 in all, we get a balance of only £171,000 to set against so much of the increased loss by exchange as is not included in the figures above given.

Budget Estimates, 1886-87.

22. The Estimates for 1886-87 are as follows:—

Estimates of 1886-87.

	£
Revenue	75,798,700
Expenditure	75,616,500
Surplus	182,200

23. Since the Estimates for 1885-86 were presented, it has been already pointed out, and cannot be too carefully borne in mind, that Indian administration and finance have entered into a new phase. The brief period of rest which the country had enjoyed since 1882 has drawn to a close. If the immediate dangers which lately threatened us have passed away, they have left behind them with the Government of India the responsibility of preparing for their possible recurrence at a future time. By the events of late years in Central Asia, India finds herself almost in contact with one of the Great European Powers, and she cannot hope to escape the necessity which the position imposes on her of increasing her military strength. We have been compelled to take this year a large addition to our military estimates, and to increase the provision of interest on loan capital to be expended on frontier railways and works. We have before us the prospect of further expenditure in connection with these objects; and what may be in store for us in respect of exchange no one can foresee. Enough has been said here to shew that since the estimates were framed last year the apprehensions which were then expressed have been fully justified. Events, then impending, have occurred, which have changed, as it was known they must change, the face of our estimates, and have thrust us violently out of the peaceful path of internal progress in which we had hoped to

have been left undisturbed. It is a rude awakening from the hopes of 1882. To the cost of the measures necessary for the protection of the country from famine, the Government has been compelled to add provision for the requirements of the circumstances in which, by the course of recent events beyond its frontier, it finds itself placed. It believes that the resources at its command are sufficient to enable it to meet the demands likely to be made upon them; but in order to understand how important to its interests is the settlement of the silver question, it is desirable to examine a little carefully the nature of these demands. So long as sanguine or imperfect views are entertained of the obligations to the Government, or of its capacity to meet them, so long will the importance to its finances of the question of exchange continue to be underrated and understated. The Government of India could, for example, find an escape from difficulty by deferring the construction of what are known as its famine railways; or it might postpone or cancel the measures which nevertheless it considers essential to the security of the country. But, so long at least as experience has not finally proved it impossible to arrive at a satisfactory settlement of the silver difficulty, the Government must necessarily feel extreme reluctance to incur the very grave responsibilities which any such decision would place upon it.

Increased expenditure rendered obligatory. Change in the situation since the commencement of 1885.

24. A few words will probably be sufficient to explain more fully our position as it was at the close of the epoch now unhappily terminated, and as we now find it. The year 1885 found the Government of India embarked upon an extensive programme of railway construction, having for its object the prevention or mitigation of the horrors of famine, and the improvement of our internal communications, the speedy completion of which is of the highest importance at any time to India, but is especially important at a time when the growth of our railway revenue is necessary to us to countervail in some measure the disastrous effect on our Budget of the progressive fall in silver. The Government at the time calculated, and had the best grounds for calculating, that it could prosecute these works to completion, and confidently devote the capital which they required to the security and the resources of the country, without imposing any additional burden. The revenues, in spite of large remissions of taxation, had been estimated on a basis of exchange which, after causing in past years much anxiety, had for some time shewn itself tolerably stable. The seasons, on the whole, had been excellent, and our foreign trade, which had temporarily declined, shewed every symptom of revival. But before a quarter of the year had elapsed, our brief prosperity had disappeared. We were compelled, in view of the war which threatened us, to suspend some of the railway works in progress. These works, it is true, were very shortly resumed, but not before the programme of which they formed part had been subjected to great modifications in view of the necessity thrust upon us for large capital expenditure in connection with strategic railways and military frontier works. To the programme of railways presented to the Parliamentary Committee on Indian Railways which sat in 1884, which was estimated at that time to cost £28,262,000 after 1883-84, and to be capable of completion in five years, we were compelled to add, before two-thirds of 1885 were over, other works of a military character, including Frontier Railways and Coast and Land Defences, which are of so great importance as to take precedence of many of the internal lines previously decided upon, and the cost of which may probably amount to as much as £12,000,000. Much of the expenditure necessary in this class of military works must remain for ever unfruitful. We were therefore compelled in the course of the year 1885 to make up our minds to submit directly to an oppressive increase of unproductive expenditure; we were compelled to devote our capital to the construction of railways which will do little to facilitate the extension of that internal trade which has become of the greatest assistance and importance to our revenues,

Financial situation of 1886-87 as contrasted with preceding years.

and to do so we were compelled to throw back the construction of some of our famine railways. The Government of India, in the course of the year 1885, has also had to decide upon the addition of a heavy sum to its estimates on account of its military establishments. Since the commencement of that year it has thus found itself suddenly in the presence of two conflicting policies, both of which it felt to be of the greatest importance to the country, but beyond its power of simultaneous execution. It was compelled therefore in a measure to subordinate internal railway construction to the requirements of its military situation. It was not, however, on that account prepared to desist from the endeavour to carry out its scheme of internal railways; but it has been compelled in some degree to reconsider the means by which it hoped to carry out its scheme, the order of the works to be undertaken, and the period of their completion. It is in finding funds for continuing the prosecution of its internal railways, while making the necessary provision for frontier railways and works for coast defences, and for the army estimates, that the problem of the Government, in regard to its finances, at the present time lies. The magnitude of the task which it has set before itself may be measured by the figures given in a later page of this Statement, which shew that in the ensuing year alone, apart from military works which are in course of construction from borrowed capital, the amount of capital to be expended in construction of railways, for meeting the interest on which the Government of India has made itself liable, is over 10 crores of rupees. At 4 per cent., the additional interest charge on this sum, the whole of which will be added to our obligations from the close of the ensuing financial year, is no less than £400,000. The nature of its resources, and the prosperous state of its revenues, would nevertheless, there is good reason to believe, enable the Government to carry out without serious anxiety the aim which it has set before itself, were it not for the deplorable burden which the fall in the rate of exchange imposes upon it. The vital difficulty which the Government of India has to encounter is that, with a revenue which is almost wholly in silver, it has to provide the funds necessary for the protection of the country, whether from famine or from the point of view of military requirements, to bear an ever-increasing burden on account of gold obligations, and to add largely to this burden by borrowing in gold. It has seen its liabilities under this head increase for the two years 1884-85 and 1885-86 from £3,426,424 in the accounts of 1884-85 to £3,672,300 in the Budget Estimate of 1885-86 and to £4,424,900 in the Revised Estimate for that year; it has estimated its liabilities in the coming year at £4,837,600, so that in three years it has added to its estimates of expenditure the sum of over one and a third million on this one account alone; but in spite of this, it has absolutely no means of judging how far, in the course of the year, the fall of silver may add to its estimated expenditure on account of exchange. It must be obvious that nothing could be more disquieting than such a condition of affairs. Had there been no danger from war, and no increase to our military estimates, or to our unproductive expenditure, we could have faced this difficulty for a time; but it seems probable that if the policy of 1882 and the financial arrangements which were introduced in that year had not foundered in the storm and stress of war preparations, they might have been ultimately wrecked upon the silver rock. If we are to be called upon to add at brief recurring intervals a million, or even a half or a quarter of a million, to our expenditure on account of exchange, it is clear that no policy, whether of remission of taxation, or of imposition of taxation, can be judged by its results. Speculation on these matters

becomes academic; the question which those who are charged with the administration of Indian finance or of Indian government have to solve becomes a question of the extent to which they can cut away what may be called the accessories of administration without injury to its vital parts. We have, for example, found ourselves compelled to abandon, for a time at least, the employment, in the construction of railways, of any portion of our revenues other than the £500,000 given from the Famine Grant. We have been obliged, further, to retard and delay the progress of our famine railways in proportion as we find that our surplus revenues are insufficient to leave at our disposal the amounts on which we had reckoned for the provision of interest during construction. We are examining into the question of economies, of which one result will too probably be to retard the development of the Provinces subordinate to the Government of India by diminishing the amount of revenue made available to them for that purpose. We could have provided for our famine railways, we could have met our increased military expenditure, for our frontier railways, for our coast defences, and for our frontier works, and we could have left the Provinces to their career of steady progress, without anxiety and almost without difficulty, if we had been able to carry out our calculations in a medium which possessed some stability. Indian finance, and Indian administrative advance and improvement, have become, in a word, questions of currency.

25. The above remarks will shew what important changes have been introduced into the problem of Indian finance within the last twelve months. They shew, further, the results of the increased experience gained by us as to the effect of the fall in silver on our position. They explain how it is fruitless on the one hand to persist in economies, to abandon or delay works of which the necessity has been demonstrated, to devise sources of increase to our revenue, if the result of economy, prudence, taxation, alike disappear in the great gulf of exchange; they shew why it is impossible, on the other hand, and for the same reasons, to prosecute with unrelaxed energy the improvement of our means of communication or other necessary measures. The uncertainty in respect of silver entirely neutralises the most carefully formed forecasts of the future, and renders the task of budget-making in India almost illusory. The surplus or the equilibrium existing at the hour at which this Statement is written may be turned into deficit before it sees light; and nothing that the Government of India can do of its own authority will, in the slightest degree, affect the result. One of the chief difficulties of the Government has now become the necessity of finding funds for filling up the annually increasing deficit caused by the growing loss in exchange. It has been compelled in the present year to add £800,000 to its taxation on this account; and it is, and must, so far as its own means of action are concerned, remain in the utmost uncertainty as to the adequacy or otherwise of the provision which it has made under this head. Yet there are necessarily limits which the Government of India must prescribe to itself in the policy of restricting expenditure, or of adding to its taxation; it cannot subordinate every consideration to immediate financial equilibrium. If a definite goal could be arrived at or a definite term fixed, the Government might face sacrifices, however serious. But no forethought, or prudence, or shaping of policy will enable it, so long as silver remains in its present condition, to ensure equilibrium. The Government, as was stated in the course of the debate upon the License Tax Bill, has under its constant consideration this question, which it regards, from every point of view, as one of the most vital questions which the Government of India has ever had to deal with. It has called the earnest attention of Her Majesty's Secretary of State for India to the subject, and it

Necessity of putting the silver question on a stable footing.

is pressing upon him the absolute necessity, whether in the interests of this country, or of the Empire in which it occupies so important a position, of seeking, in concert with the Powers of Europe, and with the United States of America, for a solution of the silver difficulty. The belief that from other causes, which are now beginning to be recognised and admitted, which are becoming familiar to us all, but which cannot be conveniently dwelt upon in a Statement of this nature, Europe and America have a deep interest in protecting their agriculture and trade by placing the relations between gold and silver on a recognised and stable footing, leads to a hope that efforts made at this present time to arrive at an understanding might possibly prove successful. The Indian export trade is carried out in conditions which, whatever gain or loss they may bring with them, admittedly enable this country to compete at great advantage with the agriculturist of those countries which have repudiated the use of silver in their currency except for purposes of subsidiary coinage. In saying this I must not be understood to write as if I thought that the successful competition of the Indian agriculturist or his prosperity depended solely or even mainly on the present condition of exchange. All that I wish to point out is that the state of the exchange arising from the demonetisation of silver by Europe, is one of the causes which have contributed to the great increase of the import into Europe of Indian wheat, and to the consequent depression of European agricultural profits; and that the effects of the exchange, both in India and in Europe, although they may be indirect, may seem remote, and do not present themselves at once to the superficial observer, are of a nature to give rise to great anxiety and apprehension to all who are charged with the business of government. How soon the attention of Governments whose interest in the silver question seems to be only second to that of the Government of India will be turned to the matter, with the view of replacing the relations between gold and silver on a footing analogous to that which formerly existed, must remain, for the present, matter of conjecture. Until success has been achieved in this respect, it cannot be questioned that, so far as we here in India are concerned, the accuracy of the general forecast (as distinguished from the estimates under the several Departmental heads of revenue and expenditure), contained in this, or in any other Budget which is put out in similar conditions, is beyond the control of any financial authority in India, or out of it; and that the most carefully prepared calculations may be upset long before the year is over by the addition, as in the Revised Estimates of 1885-86 compared with the Budget Estimates of that year, or as in 1886-87, of a million to expenditure: addition over which the Government of India is entirely powerless, and must remain powerless, so long as efforts to bring about an understanding in regard to silver remain unsuccessful.

Principal features in the Budget of 1886-87.

26. The main features in the Budget of 1886-87, as compared with that of 1885-86, are (1) that on account of Upper Burma we have added £665,000 to the Revenue and £749,500 to the Expenditure (including £300,000 for the Army), (2) that opium receipts have been taken higher by £202,100 on account of probable larger sales of Bengal opium, and opium expenditure £171,100 higher on account of a good crop, (3) that gross receipts under Assessed Taxes shew an increase of £943,200 on account of the new tax on non-agricultural incomes, (4) that there is a reduction in capital cost of Railways charged against revenue of £684,600, (5) that there is an increase of expenditure over the normal grant of £64,300 under Military Works, and (6) an increase under Army of £1,591,400 (including exchange). At the same time the Railway Revenue Account shews the net loss raised from £1,158,800 in the Estimate of 1885-86 to £1,721,700 in the Estimates of 1886-87, the falling off to the extent of £132,000 being only apparent and caused by the tax on non-agricultural incomes, while a further sum of £138,700, being the interest payable to the Indian Midland Company, is covered by a corresponding reduc-

tion under the grant for Famine Relief and Insurance. The increase of exchange on the Home expenditure in gold amounts to £1,165,300 (this increase has been partly allowed for in dealing with the other items of revenue); and there is a special receipt under Military Works of £150,000 owing to the payment by His Highness the Maharaja Scindia on account of the Morar Cantonment. The Imperial share of the revenue has also been increased by £400,000, a like amount being withdrawn from the share of Land Revenue received by Local Governments.

27. These are the points, on either side of the Budget, which are special to the year. Assuming that it starts from a base of financial equilibrium, that it takes over from the commencement of 1886-87 the revenue and expenditure as settled in 1882, and finds that they balance one another, the provision which in the present year it makes for increased expenditure, on the one hand, and for increased revenue on the other, is practically contained in the above figures. The Budget for 1886-87 is experimental. It provides for a material increase of expenditure, and anticipates a considerable increase of receipts; but of this increase all, except a net item of £765,000 under Income Tax, is of the nature of increase to existing sources of revenue, on the realisation of which the working value of the estimates must largely depend. Expenditure will increase in 1887-88; and time alone can shew whether the provision made or contemplated for expenditure is adequate. To the extent of £400,000 we have meanwhile thought it desirable, in order to ensure budgetary equilibrium, to arrange for a contribution from the surplus of Provincial Revenues during the ensuing year. This contribution entails on the one hand no reduction in the Estimates for Provincial Expenditure in the ensuing year; while on the other hand it leaves at the disposal of Local Governments in the aggregate the full sum which they are required to maintain in case of need arising from calamities requiring abnormal expenditure not provided for in the Budget. During the year 1885-86, it may be remembered, the Local Governments were requested not to engage their balances by embarking on any fresh expenditure which would practically lock them up for a term exceeding that of the Provincial Assignments which expire with the ensuing year. It was explained in the course of my remarks, when introducing the Income Tax Bill, that we were not then in a position to say whether it would be necessary to call the Provincial Governments in 1886-87 to our assistance; but that, as a measure of precaution, we had asked them not to embark in any fresh expenditure of a nature or extent calculated to cause prejudice to the Government of India. These remarks were made with more immediate reference to the arrangements which would be necessary upon the expiry of the existing Provincial Assignments, at the close of the financial year; but the instructions referred to had also prominently in view the knowledge that in the Budget of 1886-87 some contribution would very possibly be required of Provincial Governments. The revision of the Provincial Assignments, and the enquiries of the Committee recently appointed to examine into expenditure with a view to reductions, will, among other measures, strengthen the resources of the Government of India during the coming year, but it would be at present premature to pronounce upon the sufficiency of our revenues as at present provided. The Budget for 1886-87 is a new departure; greater experience must be awaited before we can be assured that, like the framers of the Budget in 1882, we have adapted our new scale of resources to the new scale of our requirements, and all that can at present be said is that in the absence of calamity or an increase to our silver difficulties, there are good grounds for believing that we have sufficiently provided for the wants of the coming year. It must be remem-

Contribution from Provincial Governments.

bered that the ensuing year is burdened with a portion only of the increased military charges. The heavier interest charge on construction of the additional railways and works in progress is only now commencing to make itself felt.

28. These observations will, I hope, suffice to shew the general features of the coming year, and of the financial arrangements which we have made or which we contemplate to meet the increased and increasing burdens which await us. I proceed now to give some explanation under the several heads of Income Tax, Railways, Opium, and Famine Insurance Grant, to which reference has been just made.

29. In introducing the Income Tax Bill the probable net yield after deducting the cost of collection and the £500,000 which, in round figures, was the yield of the former License Tax, was taken at £620,000; subsequent modifications, and especially the removal of the exemption of the lower paid classes of Government servants, led to the estimate of net yield being raised to £680,000. The estimates which have since been received from the several local authorities give the gross receipts at £1,458,100, inclusive of the receipts formerly credited under License Tax; from this total of £1,458,100 we must, in order to obtain the net improvement of our finances, deduct £515,000, being the amount which would have been received if no change had been made, £46,000 on account of increased cost of collection, and £132,000 which is levied on the Government share of the profits of certain Railways. The net result is £765,100, and this is the amount by which we now expect the Income Tax to improve our financial position in the coming year. The sum of £132,000 above referred to is a deduction from the Government share of the revenue of certain Guaranteed Railways, and must be eliminated before we can arrive at the net yield of the new tax; it is merely so much revenue transferred from one head of our accounts to another. It has been decided to postpone for a year the introduction of the Income Tax into Burma. Since 1872 there has been in Burma no direct taxation, other than the capitation tax, or the payment of land revenue in lieu of capitation tax. As the License Tax of 1876 was not introduced into Burma, the facility for commuting the tax into an Income Tax, which in India probably obviated much of the objections to it, does not present itself in Burma. The Chief Commissioner has pointed out that his executive staff is in great measure called upon to furnish the agency necessary for the introduction of British administration into Upper Burma, and that on other more general grounds it would be undesirable to introduce the Income Tax for the moment into Burma. The Government of India has recognised the force of the Chief Commissioner's representation; and the introduction of the tax has been accordingly postponed for a year. The loss to the Treasury is estimated at £35,000.

Tax on non-agricultural Incomes.

Railway Revenue and Expenditure.

30. The Railway Revenue, which in 1884-85 shewed symptoms of depression has revived during 1885-86, and has justified us in taking a high though not an excessive estimate of receipts. The net results of the working of the Railways is, however, very unfavourably affected by the increased interest charge on gold loans owing to the fall in the value of the rupee; by the energy displayed in railway construction; and, finally, by the expenditure of capital on lines which can never be expected to cover the interest charge. The apparent result of the working of our railway system is also affected by the deduction of £132,000 on account of Income Tax, as already explained, from the Government share of the receipts of certain Railways, and by charging against the Revenue Railway Account the interest payable to the Indian Midland

Company (£138,700), which is really met by an equivalent reduction of the grant for Famine Railways and Insurance. The harvest throughout Upper India promises to be of exceptional abundance, the rice crop in Burma is good, and the export trade may be expected, so far as can at present be seen, to continue active. The table given in a later paragraph shews the comparative financial results of the working of the State and Guaranteed Railways in 1886-87 and previous years. In contrasting the figures which it contains with those shewn in the Budget Statement of last year, it will be borne in mind that the method of exhibiting exchange in our accounts has been modified, and that the figures of last year's Statement and of the present Statement will not, therefore, correspond.

31. It will be seen that the Budget Estimates of 1886-87 shew an increase over the Budget Estimates of 1885-86 to net Revenue under State Railways of £685,000, an increase which, over the whole account, is reduced to £458,500 by the decrease under Guaranteed Railways. It is possible that increase in the actual receipts as compared with those taken on our Estimates, whether under State or Guaranteed Railways, may recoup some of this loss. The figures of actual and estimated net loss or gain, and of expenditure to be incurred by the State, or by Companies under engagements with the State, on Railways during 1884-85, 1885-86, 1886-87, are respectively given in the statements below. The figures shew that while the net gain of £135,816 in 1884-85 on State Railways becomes in 1886-87 a net loss of £578,400, the loss in 1884-85 on both Guaranteed and State Railways of £846,034 is increased in 1886-87 to a net loss of £1,453,300. This loss is the more considerable because it is arrived at after taking into account the difference between the net revenue from State Railways, which is taken in 1884-85 at £4,397,616, and in 1886-87 at £5,489,900; an increase in the latter year of £1,092,284. The total net loss in the three years is—

1884-85. (Actuals.)	1885-86. (Revised Estimates.)	1886-87. (Estimates.)
£846,034	548,300	1,453,500

The cause of the heavy increase in the estimated net loss compared with previous years is mainly due on the one hand to the large amount of capital at present being expended on railways, of which much will remain unremunerative; on the other, to the increased charge for guarantee in the case of the Indian-Midland line conceded last year to a Company. The fall in silver, though in a measure counterbalanced by the cheaper cost of material in England, has also contributed to the loss. The amount to be directly expended by the State for construction of railways, which amounts to 16 crores in the three years ending 1886-87, will have added, exchange apart, an additional burden of £640,000 to our interest charge in 1887-88. The amount of capital, whether expended in State construction, or in construction by Companies, for interest on which we shall have made ourselves liable during the same three years, amounts to no less than the sum of twenty-seven crores. As part of the railways under construction at present will bring to the State little or no direct profit, we must not anticipate a decrease in the loss on our railways for some considerable time to come. On the contrary, the loss will probably be progressively greater for the next three

or four years, and this, not because the lines which are open to traffic are not paying, but on the contrary because, in spite of their increasing receipts, all they can yield, and far more, is swallowed up in the interest on capital on other lines under construction. When it has been said that the increase to the expenditure on account of military expenditure, military railways and works, is estimated to amount to two millions annually, much of the loss above spoken of is, of course, included in figures given in the estimate of loss embodied in these statements; the loss, that is to say, is not additional to that which is spoken of when it is said that so much has been added to our expenditure for Military Railways; the charge is not additional to the increased expenditure included on account of those railways. The statements given here serve simply to shew that, in making a general estimate of the position created for by us by the prosecution of our railway policy and by the increase to our military expenditure, we cannot for some time to come look to our railway revenue to give any net gain upon our estimates; that all we can expect is that they should lessen a loss; and that for the next two or three years even this relief will probably diminish, though at a later stage it should again make itself more felt. The figures focus and bring clearly into view so much of the increase to our charges in the Estimates of 1886-87 as arises from the necessity of perfecting our military communications, and of protecting the country against famine; construction, exchange, and interest being brought together and shewn in the calculation. They bring out the present financial effect of the railway construction in which we are engaged, and the heavy strain to which, for the benefit of our successors, we of the present day are subjecting our resources. But at the same time they shew pretty clearly, I think, that the anxieties of Indian finance (the silver question always apart) arise less from any deficiencies in receipts or unavoidable additions to our expenditure, than from the present burden to which we have deliberately subjected ourselves, in the belief and expectation that hereafter the security of the lives and prosperity of the people, no less than the finances of the Government, will be safeguarded by the efforts we are making.

Net Gain and Loss on State and Guaranteed Railways from 1884-85 to 1886-87.

	Actuals, 1884-85.	Budget Estimate, 1885-86.	Revised Estimate, 1885-86.	Budget Estimate, 1886-87.
State Railways.	£	£	£	£
Net Revenue	4,397,616	4,804,900	5,261,300	5,489,900
Less—Interest and Annuity	4,070,501	4,398,300	4,660,700	5,849,800
„ Surplus Profits	191,299	144,000	196,000	217,500
Net Gain	135,816	262,600	404,600	—578,400
Guaranteed Railways.				
Net Revenue	3,478,300	3,360,000	3,644,000	3,133,500
Less—Interest and Surplus Profits	4,460,150	4,481,300	4,596,900	4,008,400
Net Loss	981,850	1,121,300	952,900	874,900
Net Loss to State	846,034	858,700	548,300	1,453,300

Expenditure on Railways from 1884-85 to 1886-87 on State responsibility.

	Actuals, 1884-85.	Revised Estimate, 1885-86.	Budget Estimate, 1886-87.
(1) DIRECTLY EXPENDED BY GOVERNMENT—	₹	₹	₹
Expenditure on Railways not charged against Revenue .	3,52,61,521	4,91,40,000	4,72,71,000
Construction of Protective Railways	94,64,570	58,90,000	50,00,000
Construction of Railways (charged against Revenue in addition to that under Famine Insurance) .	26,35,010	63,11,000	10,92,300
TOTAL .	4,73,61,101	6,13,41,000	5,33,63,300
(2) EXPENDITURE BY COMPANIES ON THE RESPONSIBILITY OF GOVERNMENT— *			
Guaranteed Railways . .	1,45,71,806	1,90,10,000	1,27,07,000
Southern Mahratta Railway .	1,20,75,081	1,17,01,000	1,30,51,000
Indian Midland Railway . .	...	94,82,000	2,28,96,000
TOTAL .	2,66,46,887	4,01,93,000	4,86,54,000
GRAND TOTAL .	7,40,07,988	10,15,34,000	10,20,17,300

* The final estimates received from the India Office give outlay in a lump sum. An approximate estimate has been determined in this Department for Southern Mahratta and Indian Midland Railways, and the balance has been shewn under Guaranteed Railways.

Sterling has been converted at the rates used in the estimates in *all* the above figures.

Principal grants for Railway construction in 1886-87.

32. In the following tables the most important grants assigned for outlay during 1886-87 on construction of State and of Guaranteed Railways are respectively shewn. The railways included in the Military programme of the Government and in the programme laid before the Parliamentary Committee of 1884 are severally indicated by the terms "Military" and "Famine." The other railways, as, for example, the first on the list, the East Indian, are not especially "Famine railways," but have for their object the development of internal traffic and the improvement and opening out of existing means of communication.

If the Government is able to carry out undisturbed the arrangements which it has at present in hand, the Sind-Pishin, the temporary Bolan line, the Sutlej Bridge, and the Cuddapah-Nellore will in 1887-88 have either been com-

pleted, or will have been advanced to the verge of completion, while the Bellary-Kistna line will, it is expected, be finished in 1888-89 :—

State Railways.	1885-86.	1886-87.*
	₹	₹
East Indian	27,10,000	20,00,000
Rajputana-Malwa (including Rewari-Ferozepore)	16,60,000	8,00,000
Katni-Umaria and Umaria Colliery	31,49,000	7,41,600
Eastern Bengal	23,53,500	11,16,000
Naraingunge-Dacca-Mymensingh	11,13,600	3,81,900
Assam-Behar (*Famine*)	45,13,000	10,58,150
North-Western	38,12,700	28,57,000
Sind-Pishin (*Military*)	1,69,25,610	93,08,160
Sind-Sagar (*Military*)	55,71,670	1,12,75,780
Sutlej-Bridge (*Military*)	17,43,550	23,95,500
Bolan (temporary line) (*Military*)	26,23,000	46,000
Darwaza-Quetta (*Military*)	14,40,000	15,10,000
Cuddapah-Nellore (*Famine*)	17,75,000	17,94,000
Bellary-Kistna (*Famine*)	38,89,000	50,00,000
Frontier Reserve material (*Military*)	14,53,000	18,83,000
" " Rolling Stock (*Military*)	...	48,64,000

* Includes Exchange.

The most important grants assigned for outlay on construction of Guaranteed Railways are as follows :—

Guaranteed Railways.	1885-86.	1886-87.*
	₹	₹
Bombay, Baroda, and Central India	28,65,000	21,57,000
Great Indian Peninsula	52,97,000	43,33,000
Madras	15,58,000	...
Oudh and Rohilkhund	63,44,000	54,67,000
Sind, Punjab, and Delhi	15,72,000	...
South Indian	13,87,000	10,8_,000
Southern Mahratta	1,17,01,000	1,30,51,000
Indian Midland (Famine)	94,82,000	2,28,96,000

* Includes Exchange.

Opium.

33. The prospects of the opium crop are again, for a third year in succession, exceptional. The outturn of opium during 1886-87 is estimated to be high. The reserve is expected to stand at the close of 1886 at 29,200 chests. We have taken the price of Bengal opium during the ensuing year at ₹1,200 per chest. The new Opium Convention with China will, in all probability, come into operation during the ensuing year, and must necessarily be watched here with much anxiety. The future of our opium revenue must very greatly depend on the success attending this Convention, which again will depend on the power of the Chinese Government to enforce the prohibition of the levy of all duty on Indian opi[illegible] provincial Governors in its transit through the interior, in consideration [illegible] the rate of likin duty, which will amount to 80 taels per chest payable at the Treaty Ports, as agreed upon in the Convention.

Army.

34. The Army Estimates for 1886-87 furnish the main item of increase under expenditure, the net increase amounting to £1,613,500. They include no special provision for war expenditure, but there is heavy addition to the army charges, as compared with the original Estimates of 1885-86, which is mainly due to the measures taken for the augmentation of the British and Native forces recently

authorised, and to the extra cost of holding Upper Burma; the addition of exchange to the Home cost of the Army also tends to increase the expenditure. A further fall in the rate of exchange for the payment of British troops, which has been fixed at 1*s.* 7*d.* the rupee, increases the charges by £51,500; and the addition to the garrison in Burma necessitates provision for increased expenditure. The increase to the effective of the Indian army has necessitated a corresponding increase in the various army departments. Thus there is a considerable addition to the Commissariat grant for provisions and supplies for troops and for feeding horses. It is necessary to purchase a considerable number of remounts to meet the requirements of the mounted branches of the army, and enhanced provision has been made in the Estimate on this account. The extension of the volunteer movement throughout India, together with the concessions lately sanctioned for volunteers, have also caused some increase of expenditure. In framing the estimates of charges in India, considerable reductions have, however, been made in consequence of the stocks of provisions and stores purchased on account of the special military preparations, which supplies will, to a large extent, be available for the requirements of 1886-87. Taking the entire military expenditure *in India*, there is an increase of £1,126,900 over the Budget Estimate of 1885-86.

35. The main item of increase to the Estimates is on account of regimental pay and allowances, and amounts to £682,931. Under this head is provided the pay of additional officers and men, the increase to the mountain artillery and the reorganization of the sappers and miners. The fall in the rate, of exchange at which British troops are paid (from 1*s.* 7½*d.* to 1*s.* 7*d.*), causes an increase of £51,500, which is included in the £682,931. Under the head of Commissariat there is an increase of £316,601 mainly due to the additional cost of victualling the extra number of British troops, to the cost of feeding more horses, and to extra charges for troops in Burma. Under the head of Remounts, there is an increase of £90,547, owing to the necessity for purchasing about 2,500 horses required for the addition to the mounted branches of the army, and to the increased rate sanctioned for these horses. There is an increase under clothing of £21,891, due chiefly to 1886-87 being a year in which compensation for clothing is payable, but in part also to the augmented strength of troops. More barrack supplies have to be provided for the increased number of troops, and this accounts for an increase of £10,530. Broadly speaking, the total increase of £1,126,900 over the Budget Estimate of 1885-86 is mainly made up as follows:—£500,000 for the addition to the strength of the British army in India, £225,000 for the augmentation of the Native Cavalry, and £40,000 for the new Goorkha battalions; besides £6,000 for the increase to Mountain Batteries; £300,000 for extra military charges in Burma; £38,800 for charges expected to be incurred in connexion with the Bolan Railway; £23,500 for Volunteers, and £25,000 for increased pension charges—partly counterbalanced by savings owing to diminished provision for Ordnance and other supplies, and in other minor items.

In dealing separately with the Home charges in the present paragraph, it will facilitate comparison to deal with true sterling, and I shall adopt this course, so as to eliminate the changes which are merely due to variation in the rate of exchange.

The total increase in the *Home* gross charges, comparing the Budget Estimate for 1885-86 (£3,572,900) with the Budget Estimate for 1886-87 (£3,133,200) is £160,300.

Under the head of Home charges of British Forces serving in India there is an increase of £245,000, £120,000 of which is due to increased provision for "deferred pay," and £125,000 for increased expenses on account of the larger

establishment of British troops in India. Under "Stores for India" there is an increase of £133,600, chiefly due to the supply of 25,000 Martini-Enfield rifles, with ammunition, and to new guns for mountain batteries. In the non-effective charges, there is a decrease of £325,000, owing to the abandonment of the system of capitalizing pensions payable to the War Office. The increase in the Home charges, effective and non-effective services, is as stated above £160,300.

Portion of expenditure on increased strength of army deferred to 1887-88.

36. The estimated expenditure deferred to subsequent years on account of the late arrival in 1886-87 of a portion of the increased establishment of British troops, or by reason of the increase to the Native Cavalry, the Goorkha and other Regiments, not coming fully into effect in that year, or because other portions of the military programme will not come, as they were not intended to come, into operation till a period later than 1886-87, amounts to £656,900, apart from interest on military railways or works.

37. The following statements give the details of the increase and decrease in the several grants in India and in England. Comparison is made with the Budget Estimate of 1885-86, because the Revised Estimates of that year were altogether abnormal, and because the comparison is necessary to shew the effect on the estimates, as hitherto framed, of the changes consequent on the policy adopted in 1885 in respect to our military expenditure, so far as, during the ensuing year, that policy will be brought into operation.

Comparative statement of Military Estimates in 1885-86 and 1886-87.

Grants.		Budget Estimate, 1885-86.	Budget Estimate, 1886-87.	Comparison with the Budget Estimate, 1885-86.	
				Increase.	Decrease.
	Effective Services.	₹	₹	₹	₹
1	Army and Garrison Staff	48,21,660	48,82,180	60,520	...
2	Administrative Staff	18,91,530	18,89,710	...	1,820
3	Regimental Pay, Allowances, and Charges	6,26,36,620	6,94,65,930	68,29,310	...
4	Commissariat Establishments, Supplies and Services	2,32,48,670	2,64,14,680	31,66,010	...
5	Remount and Cattle Establishments, Supplies and Services	14,40,520	23,45,990	9,05,470	...
6	Clothing, Supplies and Services	11,55,890	13,74,800	2,18,910	...
7	Barrack, ditto	18,37,940	19,43,240	1,05,300	...
8	Administration of Martial Law	2,98,530	2,90,170	...	8,360
9	Medical Establishments, Services and Supplies	56,58,620	56,30,120	...	28,500
10	Ordnance Establishments, Stores and Camp Equipage	56,59,040	52,37,500	...	4,21,540
11	Ecclesiastical	2,94,060	2,75,860	...	18,200
12	Education	4,12,870	3,92,830	...	20,040
13	Sea Transport Charges	5,61,000	5,50,000	...	11,000
14	Miscellaneous Services	28,02,380	28,07,140	4,760	...
15	Volunteer Corps	7,55,000	9,90,170	2,35,170	...
	Non-Effective Services.				
16	Rewards for Military Services	77,610	69,360	...	8,250
17	Military Pensions to Europeans	2,66,300	9,23,920	6,57,620	...
18	Military Pensions to Natives	71,80,610	66,58,720	...	5,21,890
19	Widows' Pensions and Compassionate Allowances	1,97,550	2,07,790	10,240	...
20	Departmental Pensions	4,18,600	5,33,890	1,15,290	...
	Total	12,16,15,000	13,28,84,000	1,23,08,600	10,39,600
			Net Increase		1,12,69,000

	Budget Estimate, 1885-86.	Budget Estimate, 1886-87.	Increase.	Decrease.
Effective.	* £	* £	* £	* £
Home charges of British Forces serving in India	620,000	865,000	245,000	...
Furlough allowances of officers of the Indian Service	170,000	170,000	...	...
Indian Troop Service	256,700	322,500	65,800	...
Passages of officers and troops otherwise than in troop-ships	4,700	4,700	...	...
Miscellaneous	17,000	17,900	900	...
Stores for India	455,500	589,100	133,600	...
Total Effective	1,523,900	1,969,200	445,300	...
Non-Effective.				
Retired pay, &c., of British Forces on account of service in India	481,000	156,000	...	325,000
Pay and Pensions of non-effective and retired officers of the Indian Service	1,460,000	1,500,000	40,000	...
Miscellaneous pensions, including those from Lord Clive's Fund, &c.	102,000	100,000	...	2,000
Indian Service Family Pensions	6,000	8,000	2,000	...
Total Non-Effective	2,049,000	1,764,000	42,000	327,000
			Net decrease £285,000	
Total Effective and Non-Effective	3,572,900	3,733,200	487,300	327,000
			Net increase £160,300	

* True sterling.

Famine Relief and Insurance.

38. It has been said that the estimate of expenditure under the head "Famine Relief and Insurance" for the coming year is £1,361,300 only, instead of the normal amount of £1,500,000. Before explaining this, it must be pointed out that in the Revised Estimates of 1885-86 the total amount expended in that year is shewn at £1,500,000. In the course of the speech which, in the commencement of the present year, I was called upon to make in asking leave to introduce the Income Tax Bill, I said—"When the accounts of the year are published, it will be found that the Government has devoted the Famine Insurance Grant to the purposes to which it usually is devoted." The figures I refer to shew that the normal grant has been expended, and that the criticisms made in regard to the action of the Government in the matter, on the assumption that the grant had been diverted to other purposes, were, as on previous occasions and at that time they were explained to be, without foundation.

Operation of the Famine Insurance Grant.

39. The portion of the revenue set aside to meet the cost, direct and indirect, of famine was first devoted to specific purposes, and shewn separately in the accounts, in the year 1881-82. From 1881-82 to the close of the current financial year the aggregate of the sums spent under Famine Relief and Insurance, comes to £7,635,028, which has been devoted to the following objects:—

	£
Famine Relief	112,041
Protective Railways	2,733,979
„ Irrigation	1,133,761
Reduction of Debt	3,655,247
Total	7,635,028

As the normal grant on this account is £1,500,000 annually, the aggregate would naturally be expected to be £7,500,000, and this sum would have been shewn if we had continued to deal with exchange according to the old method. The difference between the present figure of £7,635,028 and £7,500,000 is due to the inclusion in the former sum of exchange on certain expenditure in England and on Public Works stores.

A more important question, however, than the specific allotment of the grant in recent years is the extent to which the Government has in practice succeeded in reducing the charge for debt since the policy of increasing the revenues for the purpose of meeting the cost of famine was first originated. The increase of the revenues necessarily improves the position of the finances *pro tanto*, but in judging of the general effect of the policy of Government many other considerations require to be taken into account. A deficit sooner or later increases the charge for debt, a surplus reduces it.

The fall in exchange has tended steadily to increase the burden of the gold debt on the revenues of India; the construction of Productive Railways and Irrigation Works from Revenue practically reduces the burden of the ordinary debt. The vital question is whether the burden of the debt to balance which great Public Works of a permanent nature cannot be shewn, has increased or diminished. The publication of the accounts of past years in the new form enables us to answer this question with comparative ease.

In 1877-78 the total interest charge on debt of all kinds stood as follows, including exchange:—

	£
Interest on Ordinary Debt uncovered by Public Works	4,799,448
„ on debt balanced by Capital expenditure of a corresponding amount on Railways	703,753
„ on debt balanced by Capital expenditure of a corresponding amount on great Irrigation Works	621,822
TOTAL	6,125,023

For 1885-86 the account is as follows:—

	£
Interest on Ordinary Debt uncovered by Public Works	3,859,100
„ on debt balanced by Capital expenditure of a corresponding amount on Railways	2,655,900
„ on debt balanced by Capital expenditure of a corresponding amount on great Irrigation Works	966,000
TOTAL	7,481,000

These figures shew that, notwithstanding the fact that the fall in exchange has added largely to the burden of the interest charge on the gold debt of India, the charge for debt, which is uncovered by great Public Works, has been reduced since 1877-78 by £940,348.

40. The estimate of expenditure on famine insurance for the ensuing year has been reduced from the normal figure of £1,500,000 to £1,363,000, or by £138,700. The reason of the difference is that the Government of India have obtained the sanction of the Secretary of State to deduct from the sum hitherto annually assigned to the Famine Insurance Grant the interest payable during construction to the Company which has undertaken the construction of the Indian Midland Line; and, should the concession for the construction of the proposed Nagpore-Bengal Railway be hereafter obtained, the interest payable during construction to the Company which obtains it will

Cause of reduced estimate of expenditure under Famine Insurance Grant in 1886-87.

be also charged, if necessary, to this head. These lines form part of the scheme of Protective railways to the completion of which the Famine Insurance Grant is devoted; and it seemed to the Government of India to be immaterial whether a portion of the sums assigned hitherto to that grant were directly expended in the construction of these railways, or whether they were devoted to the payment of interest on the capital expended by Companies during the period of their construction. It was quite clear that without some such arrangement the completion of the scheme of railways would be very considerably retarded; for it was not possible, while maintaining the famine grant at its hitherto figure, to burden the revenues with the charge for interest, which, during the estimated five years of construction, would impose upon them a considerable charge. On the other hand, to defer on account of this consideration the construction of these railways is calculated to prolong the dangers and risk which, by devoting to them the proceeds of the Famine Insurance Grant, it is the object of the Government to remove or to lessen within the briefest time possible.

41. The above remarks dispose of the matters referred to in paragraph 28 as especially requiring explanation in connection with the arrangements of the present Budget. They will shew the nature and extent of the charges which we are building up on the basis of the equilibrium left to us by the arrangements of 1882; the sources to which we look to meet them; and the considerations which have been present in our minds while engaged in examining and in working out the problem presented to us for solution by the administrative decisions and engagements of the Government.

Details of increased Army expenditure in 1885-86.

42. There are three or four important features, which have no concern with our future prospects, but which are connected with the working of the estimates during 1885-86, which I wish to bring to notice here. Of these, the first is the expenditure under Army, to which is to be traced the deficit of the past year. The increase under this head amounted to £3,049,700. The gross Budget figures were £16,674,600. The Revised Estimate is £19,724,300. The increase was mainly due to the preparations for war which were commenced towards the end of 1884-85 and continued during part of the year 1885-86; but increased expenditure was also caused by the despatch of a force to Upper Burma, by the augmentation of the military forces in India, which had only partial effect in 1885-86, and by the Camp of Exercise recently held near Delhi. There was also an addition to the Home charges on account of deferred pay to British soldiers, but, on the other hand, a saving under non-effective charges owing to the abandonment of the system of capitalized pensions payable to the War Office on account of officers and men who have served in India.

As regards the charges in India, the Revised Estimate for 1885-86 amounts to £14,873,400, shewing an excess over the Budget Estimate of £2,711,900. The estimated expenditure during the year on account of war preparations amounts to £2,057,100. A large portion of this, £219,300, is due to the temporary Bolan Railway, £20,500 is on account of a light railway or tramway for use in the Bolan, and considerable sums are for Telegraph and Public Works Department charges. Heavy expenditure was incurred under the heads of Commissariat, Transport, Medical, and Ordnance. Under these heads large sums were spent on provisions of all kinds, purchase of transport animals, carts and equipments, clothing, ambulance transport, bedding, medical and surgical stores, hospital equipment, ordnance stores, and camp equipage. The purchases of these supplies have been taken into consideration in estimating the charges which will be made next year on account of the departments to which they appertain, and it is hoped that a considerable portion of

the supplies and stores which have been laid in will be available for 1886-87. In November 1885, a force of about 9,000 officers and men, subsequently increased to 11,500, was sent to Upper Burma, and £270,000 was estimated on that account on the supposition that the operations would not extend beyond three months; but the increase in the force and various other reasons have combined to render that sum insufficient, and it has accordingly been increased in the Revised Estimate to £390,000, including £30,000 on account of a gratuity to the troops. There have been certain charges (£50,000) in 1885-86 connected with the concentration of troops at Rawal Pindi, while the Camp of Exercise at Delhi, estimated to cost £100,000, has increased the military expenditure. During the year also large sums have been spent on the purchase of additional remounts (£90,620) consequent on the re-organization of Royal Horse and Field Artillery Batteries and the augmentation of British and Native forces in India. The increase to the British and Native Troops in India and the increased number of guns for native mountain batteries have also contributed to swell the military expenditure by £151,473, and although only a portion of the expense falls upon the year 1885-86, that portion materially increases the charges of the year, which are further added to by the purchase of additional land for rifle ranges (£6,500) &c. These increases are partly counterbalanced by savings of £143,000 in commissariat and transport, and minor savings in various departments aggregating £25,793.

The Home charges* in the Budget Estimate of 1885-86 amount to £3,572,900 for effective and non-effective services; and in the Revised Estimate to £3,648,800, shewing an increase of £115,900. There is an increase under Stores amounting to £456,700 in consequence of the war preparations. In the non-effective charges there was, however, a decrease of £371,000 under "retired pay, &c., of British Forces, on account of service in India" owing to the abandonment of the system of capitalizing pensions payable to the War Office referred to in the Financial Statement for 1885-86.

43. The consumption of Salt during the eleven months ending with 31st January 1886 compares as follows with the corresponding figures of the previous year:—

Salt. Decrease in consumption in 1885-86.

	Consumption, March 1st 1884 to 31st January 1885. Maunds.	Consumption, March 1st 1885 to 31st January 1886. Maunds.	Increase+ Decrease—. Maunds.
Bengal . .	9,398,000	9,382,000	— 16,000
Northern India .	6 581,000	4,996,000	—1,585,000
Bombay . .	4,810,000	6,282,000	+1,472,000
Sindh . .	189,000	206,000	+ 17,000
Madras . .	6,789,000	6,965,000	+ 176,000
TOTAL .	27,767,000	27,831,000	+ 64,000

The increase has been inconsiderable, and contrasts very strikingly with the results of the three previous years, dating from the time when the salt duty was lowered. The increase in the eleven months of the three last years has been—

Eleven months from 1st March 1882 to 31st January 1883 .						1,603,000
Ditto	ditto	ditto	ditto	1883-84	.	973,000
Ditto	ditto	ditto	ditto	1884-85	.	693,000
Ditto	ditto	ditto	ditto	1885-86	.	64,000

* The Home charges are here stated in true sterling, without exchange.

The decrease in Northern India is pretty closely balanced by the increase in Bombay, and the falling-off is general. The Provincial figures for the last three years are as follows:—

	1st March 1882 to 31st January 1883.	Increase + Decrease —.	1st March 1883 to 31st January 1884.	Increase + Decrease —.	1st March 1884 to 31st January 1885.	Increase + Decrease —.	1st March 1885 to 31st January 1886.	Increase + Decrease —.
	Mds.	Mds.	Mds.	Mds.	Mds.	Mds.	Mds.	Mds.
Bengal . .	8,723,000	+516,000	8,850,000	+127,000	9,398,000	+548,000	9,382,000	—16,000
Northern India .	6,112,000	—66,000	6,459,000	+347,000	6,581,000	+122,000	4,996,000	—1,585,000
Bombay . .	4,695,000	+334,000	4,789,000	+94,000	4,810,000	+21,000	6,282,000	+1,472,000
Sindh . .	166,000	+18,000	176,000	+10,000	189,000	+13,000	206,000	+17,000
Madras . .	6,405,000	+801,000	6,800,000	+395,000	6,789,000	—11,000	6,965,000	+176,000
TOTAL .	26,101,000	+1,603,000	27,074,000	+973,000	27,767,000	+693,000	27,831,000	+64,000

The materials for forming an opinion on the causes of the falling-off in salt are not at present available, and it would be imprudent to attach much importance to the results furnished by a single year, or to hazard conjecture at present on the point, beyond observing that the decrease is probably in considerable measure due to the periodical oscillations which are known to be a feature of the salt trade. At the same time, any falling-off in the consumption of salt requires to be carefully watched, in view of the fact that the reduction of the duty in 1882 rested wholly on the assumption that the supply of salt available at the rate of duty then existing was insufficient, and that a reduction in that rate would lead to a large and steadily progressive consumption.

44. The net import of gold into India has also fallen off very considerably in 1885-86, silver having correspondingly increased—

Imports of gold and silver.

YEAR.	GOLD.		
	Imports.	Exports.	Net imports.
	₹	₹	₹
1881-82	4,85,63,920	1,24,078	4,84,39,842
1882-83	5,09,51,354	16,42,639	4,93,08,715
1883-84	5,46,94,568	69,517	5,46,25,051
1884-85	4,77,81,724	10,62,359	4,67,19,365
1885-86 (10 months) . .	2,56,53,051	29,78,561	2,26,74,490

YEAR.	SILVER.		
	Imports.	Exports.	Net imports.
	₹	₹	₹
1881-82	6,46,63,889	1,08,73,390	5,37,90,499
1882-83	8,35,80,218	87,77,949	7,48,02,269
1883-84	7,40,85,065	1,00,33,554	6,40,51,511
1884-85	9,11,00,254	1,86,43,941	7,24,56,313
1885-86 (10 months) . .	10,12,12,496	74,34,379	9,37,78,117

The great rise during 1885-86 in the value of gold in relation to silver, or in other words, the dearness of gold, and the short drawings of the Secretary of State, account probably for a part of the falling off in gold, and for the increase in silver. We have, however, at present, no means of judging fully of the causes of this marked decline.

Savings Banks.

45. On the 31st March 1885 the number of depositors in District and Presidency Savings Banks was 95,366, against 91,981 on the same date of the previous year, or shewing an increase of 3,385 depositors. The increase occurred as under—

	Europeans and Eurasians.	Natives.	Total.
	No.	No.	No.
31st March 1884	20,037	71,944	91,981
31st March 1885	20,330	75,036	95,366
	+ 293	+3,092	+3,385

The balance at the credit of the depositors on the 31st March 1885 was £3,058,998 against £3,011,721 on the corresponding date of the previous year, or shewing an increase of £47,277.

On the 31st March 1884 the total number of Post Office Savings Bank accounts was 84,848, but it increased to 122,599 on the 31st March 1885, *i.e.*, by no fewer than 37,751 accounts. The balance at credit of depositors increased during the year by £592,800, as under :—

	Balance at the credit of Depositors.
	£
On 31st March 1884	751,400
On 31st March 1885	1,344,200
Increase . .	592,800

The increase occurred in the following proportions among the Europeans and Eurasians and the Natives of this country—

	No. of Accounts.			Balance at credit of Depositors.		
	Europeans and Eurasians.	Natives.	Total.	Europeans and Eurasians.	Natives.	Total.
	No.	No.	No.	£	£	£
On 31st March 1884	8,410	76,438	84,848	127,300	624,100	751,400
On 31st March 1885	13,355	109,244	122,599	233,500	1,110,700	1,344,200
Increase .	4,945	32,806	37,751	106,200	486,600	592,800

On 31st March 1885, the total balances in Savings Banks of all classes came to £4,687,082. The latest returns of the current year give a total balance of £4,929,582, and this amount will doubtless be considerably exceeded before the close of the year. The success which has marked the establishment of Post Office Savings Banks, coupled with the fact that the Post Office organisation is more widely spread and more convenient for the public than the Treasury system, has led the Government to consider the expediency of continuing in the same place and for the same purpose the dual system of the District and the Post Office Savings Banks. The result of this consideration has been the issue of orders directing the amalgamation of the District and the Post Office Savings Banks, and the closure of District Savings Banks as separate institutions from 1st April 1886. The balances at credit of District Savings Banks will be transferred to Post Office Savings Banks, and it has been decided that no new accounts shall be opened in any District Savings Bank after the receipt of the Government Reso-

lution of the 4th January 1886 containing orders on the above points. The orders referred to have not yet been made applicable to District Savings Banks in the Madras and Bombay Presidencies, where the Presidency Banks have the management of the accounts under agreement with the Government. Intimation has, however, been sent to the Governments of Madras and Bombay to apprise the Presidency Banks of the intention of the Government to close the District Savings Banks at an early date.

Post Office Life Insurance.

46. In paragraph 20 of the Financial Statement for 1885-86, reference was made to the scheme of Life Insurance which was announced by my predecessor, Sir Evelyn Baring, in his Budget Statement of 1882-83, and which was introduced for the benefit of the employés of the Post Office Department from 1st February 1884. When the Financial Statement for 1885-86 was made, sufficient time had not elapsed to enable the Government to form an opinion as to the measure of success which the scheme of Life Insurance was likely to attain. The Director-General of the Post Office has since reported on the working and progress of the Life Insurance scheme from its commencement on the 1st February 1884 to the 31st March 1885, covering the period of the first fourteen months of its existence. This report shews that the total number of policies effected up to the 31st March 1885 was 398 representing a total value of ₹5,63,225, or an average of ₹1,415 for each policy. Deducting lapses or policies surrendered or cancelled, the aggregate amount assured stood at ₹5,47,575 on the 31st March 1885. The scheme of Life Insurance would seem to have made good progress in the Postal Circles of Bengal, Madras, Bombay, and Assam. The number of policies taken out in the Bengal Circle was 91, in Madras 73, in Bombay 52, and in Assam 43. In other parts of India, the scheme at present is little appreciated. Of the total number of policies effected, 41 were for Europeans and Eurasians, and 357 for Natives.

The scheme of Life Insurance provided three ways of insurance: (1) by a single payment; (2) by a monthly payment, until the person insured reached the age of either 50 or 55; (3) by a monthly payment during the life of the person insured, and two kinds of monthly allowances, *viz.*, "immediate" and "deferred."

The system of monthly allowances does not seem to have found favour at all, as only four monthly allowances of the aggregate monthly income of ₹18 were purchased during the period; two of which were immediate monthly allowances, and two deferred. But the system of Life Insurance has, it would appear, attained a fair measure of success. On the margin is given an abstract shewing the strength of the Postal Department on the 31st March 1885, and the number of policies taken out by the several classes into which the postal officials are divided, with the percentage of lives insured in each class. Out of a total of 37,646 employés in the Postal Department, no less than 25,850 belonged to the grades of postmen runners, and boat-men, whose means leave but small margin for saving: 44 postmen and 11 members of the road establishment insured their lives.

On 31st March 1885.

	No.	No. of Life Insurance Policies taken out.	Percentage.
Postal Officials.			
Superintendents and Inspectors	332	38	11·44
Post Masters, Deputy Post Masters, and Village Post Masters	4,937	123	2·49
School Masters and other extraneous agencies	1,221	...	...
Clerks	4,909	177	3·60
Postmen, village postmen, &c.	13,437	44	·33
Road establishments	12,413	11	·09
Signallers, clerks, &c., in combined offices	397	5	1·26
TOTAL	37,646	398	1·06

From 1st April 1885 to 31st January 1886, the additionnal number of policies issued were 140, of which the aggregate value was ₹1,55,450.

Explanation of differences between Budget Estimates and Revised Estimates of 1885-86.

47. The following paragraphs contain explanation on some of the more important differences between Revenue and Expenditure in the years 1885-86 and 1886-87. In the former year, the comparison is between the Budget Estimate of 1885-86 and the Revised Estimate for 1885-86; in the later year, the comparison is between the Budget Estimate of 1886-87 and the Revised Estimate of 1885-86. It was said in last year's Financial Statement that the explanation given under this head would in future be fewer and more summary. The items included in the following explanation are :—

1885-86 (Revenue).	Increase.	Decrease.
	£	£
Land Revenue . .	59,200	...
Opium . . .	...	110,800
Salt	...	90,300
Mint	142,600	...
State Railways . .	615,000	...
Guaranteed Companies	284,000	...

1885-86 (Expenditure).	Increase.	Decrease.
	£	£
Land Revenue . .	...	58,800
Opium	630,800	...
Provincial Rates .	...	66,400
General Administration	98,000	...
Law and Justice .	...	95,300
Political . . .	463,200	...
State Railways . .	210,700	...
Buildings and Roads (Civil Works) . .	...	430,300

Revenue.

Land Revenue (I); Increase £59,200. This is the net result of variations in the several Provinces, the principal of which are—Decrease in British Burma (£24,000), increase in Bengal (£60,000), decrease in Madras (£68,800), and increase in Bombay (£88,100).

The decrease in Burma is due to delays in collection owing to the present disturbed condition of the country.

In Bengal the increase is on account of recovery of arrears.

The reduction in Madras is attributable to the unfavourable season of 1884-85 having been followed by the complete failure of the early monsoons in several of the districts in 1885-86. In the former year a large amount of revenue was suspended owing to the partial failure of crops, credit being taken in the Estimate of 1885-86 for the collection of the arrears; but owing to a deficient rain-fall the expectations in respect of recovering arrears have not been realised.

Of the increase in Bombay, £55,300, expected as rent of resumed police service lands and service commutations, is nominal, as it is counterbalanced by an equivalent increase of expenditure under 4, Assignments and Compensations, and 20, Police. The balance represents expected general improvement in the collections of the year.

Opium (II); Decrease £110,800. Of this decrease, £80,000 occurs under Bombay, and is due to the exports of Malwa opium during the year having fallen short of the estimate. Under Bengal there is a decrease of £26,300, resulting from the sales having produced an average of ₹1,234-10-6 per chest against ₹1,236-11-6, the figure taken in the estimate, and to short receipts under Opium issued to the Excise Department, and under Miscellaneous Opium receipts.

Salt (III); Decrease £90,300. This decrease is the net result of the following differences :—

	Increase.	Decrease.
India General	...	365,900
Central Provinces	26,100	...
British Burma	...	900
Bengal	...	40,000
Madras	...	45,300
Bombay	335,700	...
	361,800	452,100

The decrease under India General and the increase in Bombay are due to the same cause, *viz.*, the raising of the price of salt at Sambhar from $2\frac{1}{2}$ annas to 8 annas a maund in order to prevent exhaustion of the stock in hand. The stock in hand was very low owing to an unfavourable season for manufacture in 1884-85. The raising of the price led to a reduction in the consumption of Sambhar Salt, its place being taken by Baragara Salt from Bombay. The increase under Central Provinces represents receipts on account of Baragara Salt Revenue paid into the Central Provinces instead of into Bombay Treasuries. This figure must be taken with the figure under Bombay in determining the effect of diverting the salt trade from Northern India to Bombay.

In Bengal the decrease has occurred through the cessation of manufacture in the 24-Pergunnahs owing to accumulation of stocks. The reduction in Madras is partly due to a wider extension of the credit system, which throws part of the revenue of one year into the next, and to the substitution, to a greater degree than was anticipated, of the excise for the monopoly system, by which both the Expenditure and Revenue sides of the Accounts are relieved, the one of the cost of manufacture and the other of the selling price.

Mint (*XV*); Increase £142,600, due to higher receipts from seignorage duty on coining silver, and from gain on copper coinage resulting from a greater amount of copper coin passing into circulation than was anticipated at the time the Budget was framed.

State Railways—Gross Traffic Receipts (*XXVI*); Increase £615,000. This is the net result of a series of figures of which the principal are, an increase of £150,000 in the East Indian Railway, of £175,000 in the Rajputana-Malwa State Railway, of £15,000 in the Northern Bengal State Railway, of £52,500 in the Bengal Central Railway, and of £402,500 in the North-Western Railway. As a set-off against these are decreases of £33,000 in the Burma State Railways, of £97,500 on the Eastern Bengal, £11,000 in the Tirhoot, and £25,000 in the Cawnpore-Achnera Railways, and of £11,200 in the Umeria Colliery. The increase in the East Indian and Northern Bengal Railways are due to the improvement of traffic since the Budget was prepared. The North-Western Railway was constituted, on the 1st January 1886, by the amalgamation of the two sections of the Punjab Northern State Railway, the Indus Valley State Railway, and the southern section of the Sind-Pishin Railway, with the Sind, Punjab, and Delhi Railway, which became the property of the State from that date; and the Accounts and Estimates, which were hitherto dealt with separately for each section, are now prepared for the entire Railway system. The Revised Estimate provides for the earnings of the old Sind, Punjab, and Delhi Railway for the last 3 months of the year, and for the earnings of the other lines for the whole year. The increase is due to the traffic arising from the Rawal Pindi Durbar, and extensive Military preparations, during the earlier months of the year; to the large quantities of material carried for the Frontier Railway; sand to an improvement in the wheat traffic. The Bengal Central Railway is brought under State Railways, for the first time, under a new arrangement entered into with the Company. No provision was made in the Budget Estimate for receipts from this Railway, because of its having been previously classified as a Subsidized Railway; the present increase, therefore, represents the estimated gross earnings of the line. The decrease in the Burma State Railways is the result of the generally unsettled state of the country, and also of the crops having suffered during the past season. In the Eastern Bengal Railway, the decrease is mainly due to the loss of traffic in consequence of breaches in the line in September 1885, and the reduction in rates forced by the competition of the Steamer Companies;—in the Tirhoot

State Railway to the failure of the crops in 1885, and to a portion of the Kosi extension not being opened for traffic, as anticipated;—in the Cawnpore and Achnera State Railway chiefly to loss of traffic, occasioned by breaks which occurred on the Railway;—in the Umeria Colliery to the difficulty of placing the coal in the market, owing to the absence of means of communication with the Railway systems.

Guaranteed Companies—Net traffic receipts (*XXVII*); Increase £284,000. This is the net outcome of the following figures:—

	Increase.	Decrease.
	£	£
Madras Railway	45,000	...
South Indian Railway	...	17,500
Bombay, Baroda, and Central India Railway . .	20,000	...
Great Indian Peninsula Railway	120,000	...
Oudh and Rohilkhund Railway	...	31,000
Sind, Punjab, and Delhi Railway	147,500	...

Expenditure.

Land Revenue (*3*); Decrease £58,800. This is the result of increases and decreases in the various provinces. The chief increase occurs in the Punjab, followed by decreases in India General, in the Central Provinces, in the North-Western Provinces and Oudh, and in Madras. The increase in the Punjab is partly nominal, and is due to payments on account of Patwaris being shewn under this head, set off by corresponding credits under Provincial Rates, where the fees realised on account of Patwaris are credited. The decrease under India General is also partly nominal, being due to a transfer to General Administration of a portion of the Collectors' establishments on account of Local Funds. The decrease in the Central Provinces occurs in Survey aud Settlement charges, and that in the North-Western Provinces and Oudh chiefly in allowances to district and village officers. In Madras the decrease amounts to £55,400, and is principally due to the expected revision of the Revenue Establishments provided for in the original estimate not being carried out.

Opium (*4*); Increase £630,800. This occurs almost entirely in Bengal, and is due to the outturn of the season 1884-85 having proved larger than was anticipated when the Budget Estimate for 1885-86 was framed.

Provincial Rates (*8*); Decrease £66,400. This arises principally in the Punjab, and is nominal, being the result of the transfer of charges on account of Patwaris from Provincial Rates to Land Revenue and General Administration.

General Administration (*18*); Increase £98,000. Of this increase £50,300 arises in India, £26,900 in England, and £20,800 in Exchange. The principal increases in India occur in the Central Provinces, in the Punjab, and are nominal, being due to the adjustment against this head in the Revised Estimate of Patwari charges, for which provision was made in the Budget Estimate under 3, Land Revenue, in the case of the Central Provinces, and under 8, Provincial Rates, in the Punjab.

Law and Justice (*19*); Decrease £95,300. The decrease is general, and is due principally to a lower convict population and to restricted jail manufactures during the year.

Political (*25*); Increase £463,200. The increase occurs chiefly in India General, in the Punjab, and in Bombay. The largest increase is in India General, and amounts to £409,900. Of this £200,000 are due to extra subsidies sanctioned for the Amir of Afghanistán, £190,100 to the Afghan Delimitation Commission, and £14,900 to presents made to Native Chiefs. In the Punjab the increase amounts to £34,500, of which £28,900 are due to the Rawal Pindi Darbar, and £6,000 to the Gilgit and Kashgar Missions, followed by petty decreases under other heads. The increase in Bombay arises principally from

provision having been made under this head for expenditure against the revenue of Balhar Berbera credited under Miscellaneous.

State Railways—Working Expenses (*38*); Increase £210,700. The increase is the result of a series of figures of which the following are the principal items :—

	Decrease.	Increase.
East Indian Railway	36,500	...
Rajputana-Malwa Railway	...	42,500
Nagpur and Chattisgarh Railway	...	18,000
Eastern Bengal Railway	...	50,000
Bengal Central Railway	...	56,500
North-Western Railway	...	40,000

Buildings and Roads—Civil Works (*42*); Decrease £430,300. This is principally due to the restriction of expenditure on Public Works in consequence of the orders issued in Finance Department Resolution No. 552, dated 29th April 1885, regarding reduction of expenditure by Local Governments and Departments in view of the expenditure on military preparations.

Budget 1886-87 compared with the Revised 1885-86.

48. The items of difference in the year 1886-87 on the Revenue and Expenditure Account selected for explanation below are— *Explanation of Difference between Budget Estimate, 1886-87, and Revised Estimate of 1885-86.*

1886-87 (Revenue).	Increase.	Decrease.
	£	£
Land Revenue	366,900	...
Opium	312,900	...
Salt	82,800	...
Forest	101,000	...
Mint	...	86,500
State Railways (Gross Earnings)	1,036,100	...
Guaranteed Companies (Net traffic receipts)	...	510,500
Buildings and Roads (Military Works)	147,200	

1886-87 (Expenditure).	Increase.	Decrease.
	£	£
Land Revenue	203,200	...
Opium	...	459,700
Telegraph	...	111,300
Law and Justice	125,100	...
Police	174,600	...
Marine	131,500	...
Education	78,600	...
Construction of Railways (Revenue)	...	521,900
State Railways (Working Expenses)	829,000	...
Buildings and Roads (Military Works)	158,700	...
Buildings and Roads (Civil Works)	587,700	...

Revenue.

Land Revenue (*I*); Increase £366,900. An increase of £546,000 occurs under British Burma, of which sum £515,000 represents revenue expected from Upper Burma. The balance of the increase is due to the expected realization of the arrears of revenue in 1885-86, to improved receipts expected from rents of fisheries on resumption of trade with Upper Burma, and from the capitation tax owing to ordinary development of population. The chief decreases are £122,400 in Bombay, £54,200 in Bengal, and £24,300 in Madras, and are almost entirely ascribable to collections of arrears of previous years. The variations under the remaining provinces call for no special remark.

Opium (*II*); Increase £312,900. The Budget provides for the sale of 55,500 chests of Bengal opium in 1886-87 against 50,994 chests, the quantity sold in 1885-86 and taken credit for in the Revised Estimate of that year. After allowing for the probable effect on the Malwa opium trade of increased sale of Bengal opium, and taking into account the credits under Opium expected in the Punjab owing to its supply of opium being in future obtained from the Benares Factory instead of from Malwa direct, it is expected that the revenue in 1886-87 will show an increase of £312,900 compared with the amount provided in the Revised Estimate.

Salt (*III*); Increase £82,800, being the net result of the following variations:—

	Increase.	Decrease.
	£	£
India General	364,700	
Central Provinces	5,900	
British Burma	15,900	
Bengal	2,000	
Bombay	...	305,700
TOTAL	388,500	305,700

The Budget Estimate for 1886-87 provides for a moderate increase over the Revised of 1885-86, which was below the original estimate by £90,300. The increase of £364,700 in Northern India is based on the expectation that the consumption of Sambhar Salt, which fell off considerably in 1885-86 owing to a restricted supply, will regain its normal dimensions. The expected return of the Northern India Salt trade to its old channel brings about the reduction of £305,700 under Bombay, as there will necessarily be a reduction in the consumption of Baragara Salt, which temporarily took the place of Sambhar Lake Salt. The increase of £15,900 in British Burma represents increased Revenue expected from Upper Burma.

Forest (*IX*); Increase £101,000. The principal increases are British Burma £72,200, Bengal £15,000, and Punjab £10,500. The increase in British Burma is due to the provision of £90,000 for Upper Burma, the Estimate for the Province proper being fixed at £17,800 below the Revised in consequence of the low range of prices prevailing for teak timber and reduced production in the Tenasserim Circle. In Bengal the increase is on account of expected larger sales. In the Punjab the provision of increased facilities of transport is leading to an expansion of revenue.

Mint (*XV*); Decrease £86,500. The year 1885-86 was one of very heavy imports of silver into India. It is not expected that the imports in 1886-87 will equal those of the preceding year, and a lower figure has consequently been adopted for seignorage duty for coining silver.

State Railways (*Gross Earnings*) (*XXVI*); Increase £1,036,100. The Budget Estimate of 1886-87 provides for an improvement of £1,036,100 compared with the Revised Estimate of 1885-86. This improvement is general, as every Railway, with the exception of the North-Western Railway, expected to earn more in 1886-87 than in the previous year. This Railway is expected to earn £367,500 less in 1886-87 than in 1885-86, as the heavy traffic in Government stores is not likely to continue. The apparent increase of £700,000 in the Budget Estimate, as compared with the Revised Estimate of the current year, is due to the Revenue of old Sind, Punjab and Delhi being shown under this head for the whole year instead of three months only. The main increases are—

	£
(1) East Indian Railway	50,000
(2) Umeria Colliery	22,500
(3) Burma State Railways	23,000
(4) Eastern Bengal Railway	97,500
(5) Tirhoot State Railway	12,500
(6) Naraingunge-Dacca-Mymensingh Railway	23,500
(7) North-Western Railway	700,000
(8) Bellary-Kistna Railway	11,500
(9) Southern Mahratta Railway	60,000

Guaranteed Railways (*net traffic receipts XXVII*); Decrease £510,500 This reduction is in large part nominal, as it is due to the inclusion under this head in the Revised Estimate of 1885-86 of £467,500 as net receipts of the Sind, Punjab, and Delhi Railway for the first nine months of the year. Excluding, therefore, the Sind, Punjab, and Delhi Railway, which became a State Railway from the 1st January 1886, the rest of the differences are given below—

	Increase.	Decrease.
	£	£
Madras Railway	...	45,000
South Indian Railway	3,500	...
Bombay, Baroda, and Central India Railway	5,000	...
Great Indian Peninsula Railway	...	50,000
Oudh and Rohilkhund Railway	43,500	...

Buildings and Roads.—Military Works (XXX).—The Budget Estimate of 1886-87 shews an increase of £147,200, the result of the following differences:—

	£
India General	+150,000
Bombay	−2,800

The increase is due to an expected payment by His Highness the Maharaja Scindia in 1886-87 of ₹15,00,000 as compensation for the Cantonment buildings at Morar. The decrease is chiefly due to the exclusion from the Budget Estimate of 1886-87 of abnormal items brought to credit in 1885-86.

Land Revenue (3); Increase £203,200. The increase is general, and the principal items are British Burma £85,000, Bengal £46,300, Punjab £21,100, Central Provinces £19,100. The increase in British Burma is due to the provision made for extra establishment and collection and other charges necessitated by the annexation of Upper Burma. In Bengal the excess is chiefly under Revenue Surveys, and is owing to extra demarcation work to be undertaken in the Mozufferpore District. For the Punjab the Budget Estimate of 1885-86 is reproduced for all the heads of expenditure except allowances to village officers, against which extra provision is made to meet the cost of extending to new districts the system of paying patwaris' establishments from fees credited to Government. The increase on this account is therefore nominal, as it follows an increase of revenue to a corresponding extent. The increase in the Central Provinces is in consequence of the appointment of extra settlement establishments to undertake the revision of the settlement of the Province. **Expenditure.**

Opium (4); Decrease £459,700. In the Revised Estimate £63,000 has been provided for in excess of the Budget Estimate to meet the cost arising out of the abnormally large outturn of the past season. For 1886-87 the estimated expenditure has been fixed for a smaller outturn of opium.

Telegraph (*16*); Decrease £111,300. Compared with the Revised Estimate for 1885-86, the Budget Estimate for 1886-87 shews a decrease of £111,300, made up as follows:—

	Increase.	Decrease.
	£	£
India	49,900	...
England	...	124,600
Exchange	...	36,600
TOTAL	49,900	161,200
	111,300	

The increase may be further sub-divided as follows:—

	India.	England.	Total.
	£	£	£
Indian Telegraph . .	+49,800	—46,000	+3,800
Indo-European Telegraph .	+100	—78,600	—78,500
Exchange	...	...	—36,600
Total .	+49,900	—124,600	—111,300

In the Indian Telegraph the increase in the number of combined offices has led to a larger provision for Capital expenditure in 1886-87, but on the other hand the extensions will be fewer, and the provision for English stores has been much reduced. The increase is also due to extra provision for establishment on account of progressive salaries, an increased number of signallers, and increased rates of pay to certain classes of officers; and for tools and plant to meet the requirements of new offices.

The decrease on the Indo-European Telegraph occurs chiefly in England, and is due to the expenditure during the current year being very large on account of the new Persian Gulf Cable between Jask and Bushire.

Law and Justice (*19*); Increase £125,100. The principal increase is £63,900 in British Burma, of which £58,000 is provided for Upper Burma as under—

	£
For Criminal Courts	38,000
„ Jails	20,000

The balance is partly on account of the appointment of an additional Recorder, and partly to meet extra expenditure expected in consequence of an increase to the convict population of the Province.

The chief reasons for the increases in the other Provinces are as follow:—

In the Punjab, owing to important changes in the scale of Judicial establishments; Madras, to the proposed entertainment of departmental jail guards in lieu of Police guards; and in the Central Provinces, to the reorganisation of the Judicial Department and the restoration to the Province of a Deputy Commissionership of the 1st grade withdrawn in 1878.

Police (*20*); Increase £174,600. This is composed chiefly of £139,900 in British Burma and £25,200 in Bombay. Of the increase in British Burma £130,000 is provided for Upper Burma and the balance to meet extra expenditure on establishments and equipments of the District Executive force. The increase in Bombay is due to the transfer of the cost of Excise Police to this head and to the entertainment in the ensuing year of additional police sanctioned.

Marine (*21*); Increase £131,500. This is divided as follows: India £39,700, England £66,900, Exchange £24,900. Of the increase in India £15,000 is provided for the cost of three steamers and six launches for Upper Burma and the balance for certain important works to be undertaken in the Kidderpore Dockyard for State Railways and the Forest Department and for new boilers for the *Irrawaddy*. The increase in England is intended to meet the cost of a new vessel and increased demands for stores for India.

Education (*22*); Increase £78,600. This is made up of increases in all the Provinces except Madras, and follows the special reductions made in the previous year by reason of financial pressure. The principal increase is £32,000 in Bombay, and is due to certain special grants-in-aid, and to increased expenditure on the Guzerat and Sindh Colleges. The variations in the other Provinces are unimportant.

Construction of Railways (*charged against Revenue in addition to that under Famine Insurance*) (*36*); Decrease £521,900. The Revised Estimate for 1885-86 provides for outlay as follows:—

	£
Imperial	500,000
Provincial	131,100
	631,100

In the Budget Estimate for 1886-87 no provision has been made under Imperial, owing to the decision of Government that expenditure on Frontier Railways should cease to be a charge against Revenue, and should be met from borrowed capital. £109,230 are provided for outlay under Provincial, of which £102,900 are for expenditure on the Lucknow-Sitapore-Kheri Railway and the balance on other Provincial lines under construction.

State Railways (*Working Expenses*) (*37*); Increase £829,000. The principal increases are as follows:—

Rajputana-Malwa Railway, £30,000, due to a provision of £20,000 on account of Income Tax, and to an increase of £10,500 in the provision for payment to the Bombay, Baroda, and Central India Railway on account of surplus profits.

Umeria Colliery, £12,500, to cover the cost of the increased output expected in 1886-87. Owing to the Railway to the Colliery being opened in the year the demand for coal is expected to increase considerably.

Naraingunge-Dacca-Mymensing Railway, £14,500. To provide for working the entire length of the line which was opened for traffic on the 15th February 1886.

North-Western Railway, £525,000. The Revised Estimate for 1885-86 provides for the working expenses of the Sind, Punjab, and Delhi Railway for the last quarter of the year only. The Budget Estimate for 1886-87 includes the transactions of the whole year, and this fact accounts for the increase.

Southern Mahratta Railway, £42,500, due to provision being made for working an average open mileage of 505 miles, as compared with an average of 291 miles opened during 1885-86.

Buildings and Roads.—Military Works (*44*); Increase £158,700. This is chiefly due to a special provision of £150,000 for additional military accommodation rendered necessary by the increase to the Indian Army. £4,600 have also been provided for the new Pay and Pension Offices at Bombay.

Buildings and Roads.—Civil Works (*45*); Increase £587,700. The increase may be divided as follows:—

	£
Imperial	252,400
Provincial	243,600
Local	91,700
	587,700

The increase under Imperial is chiefly due to the following special grants sanctioned for 1886-87:—

	£
Frontier Roads	200,000
Civil Works in Upper Burma	100,000

The increase under Provincial arises from increased assignments having been sanctioned for outlay on Public Works in Bombay and Bengal and from provision having been made in Madras for the construction of a number of Civil buildings, principally Collectors' and Tehsildars' Offices and Court-houses, urgently required in the Presidency. Under Local the increase is generally ascribable to large assignments having been made available for expenditure in 1886-87.

Ways and Means.

Ways and Means.

49. In the Financial Statement for 1885-86, it was anticipated that the year 1885-86 would open with a balance in the Indian Treasuries of £11,920,026, that the Secretary of State would draw £13,773,700 (true sterling) during the year, and that the year 1885-86 would close on 31st March 1886 with a balance in the Indian Treasuries of £10,204,526.

The opening balance of 1885-86 proved to be £12,540,532. The heavy expenditure incurred in 1885-86 on account of war preparations and other causes of less importance made it necessary for the Secretary of State to reduce the total amount of his estimated drawings, and they will now probably amount, for the whole year 1885-86, to only £10,492,800 (true sterling); the year is expected to close with a balance of £12,401,932.

A loan for Public Works and for the discharge of the Indian Transfer Loan on 25th April 1886, as well as for paying off certain Eastern Bengal Railway debentures, will be required during the year, and will probably be raised in London; but the Government of India also intends to raise a loan of about 120 lakhs of rupees in India in order to meet the cost of construction of the Calcutta and Bombay Docks. The latter loan is raised under the orders of the Secretary of State for India. Although the intentions of Government in regard to borrowing are as now explained, it will of course be understood that, according to the usual custom, no pledge is, or can be, given regarding time, place, or amount of borrowing.

The Secretary of State is expected to draw during the course of 1886-87 £13,331,400 (true sterling), and the aggregate balance in the Indian Treasuries at the close of the year 1886-87 is expected to be £10,617,432, irrespective of any balance of the loans for the Calcutta and Bombay Docks which may not have been withdrawn from the public Treasury on 31st March 1887.

Summary.

50. The following is a summary of the chief points in the foregoing Statement:—

The Accounts have been recast with the object of distributing exchange among the different heads to which it appertains; exchange is calculated on the basis of the actual rate obtained by the Secretary of State for bills and transfers sold during the year, and the general account for India and England is now essentially a silver or rupee account.

The uncertainty in respect of exchange makes it impossible to assure, or to take effective measures for maintaining, equilibrium between Revenue and Expenditure.

The Accounts of 1884-85 shew a deficit of £386,446, according to the revised form of account. The deficit of £716,200 shewn in the Revised Estimates of 1884-85 according to the old system of account would now, according to that form, be reduced to £149,735.

The Revised Estimate of 1885-86 shews a deficit of £2,890,800. This deficit is wholly due to war preparations during that year, to increased political expenditure, and to the expedition to Burma.

The Estimates for 1886-87 give a surplus of £182,200. They include a contribution of £400,000 from the surplus of Provincial Revenues during the year. The expenditure connected with increase to the army, and with the construction of Military Railways and works, and the provision of corresponding resources, make the Budget for 1886-87 a new departure. There are good grounds for believing that the coming year has been sufficiently provided for; but greater experience must be acquired before the limits of the resources to be found in view of the increased expenditure are definitely fixed.

The Income Tax is estimated to yield a gross return of £1,458,100, and to effect a net improvement in our financial position of £765,100. The Railways shew considerably increased receipts, but the net loss on the whole Railway system is greater in 1886-87 than in previous years, owing to the activity which is being shewn in the construction of works by the State, or by Guaranteed Companies.

The prospects of the opium crop are very good. The reserve expected at the close of the year amounts to 29,200 chests. The price of Bengal opium during 1886-87 has been taken at R1,200 per chest. The net Opium Revenue of 1886-87 has been taken at £6,577,100. The new Opium Convention with China will probably take effect during the ensuing year. Due notice will be given of the amount of Bengal Opium to be sold in 1887.

The net Army expenditure for 1886-87 in India and in England is estimated at £17,424,300, being an increase of £1,613,500 over the Budget Estimates of 1885-86; the increase is partly due to the fall in the rate of exchange. The estimated additional Military expenditure to be incurred in subsequent years is £656,900.

Expenditure under the Famine Insurance grant of 1885-86 amounted to £1,500,000. In 1886-87 it is estimated at £1,361,300; £138,700 having been assigned to payment of interest during the ensuing year to the Indian Midland Company.

Salt shows a very marked falling off in 1885-86; the increase in consumption in that year over the preceding year being 64,000 maunds only, as against corresponding increases of 1,603,000, 973,000, and 693,000 maunds respectively, in 1882-83, 1883-84, and 1884-85.

There was a considerable falling off in the import of gold, and an increase in the import of silver in 1885-86.

District and Post Office Savings Banks will be amalgamated from April 1st 1886. The Post Office Insurance Scheme, introduced in February 1884, is giving good results.

The rate of exchange for 1886-87 has been taken at 1*s.* 6*d.*, and provision made for drawings by the Secretary of State to the amount of £13,331,400 (true sterling). The opening balance of 1886-87 in India is expected to be £12,401,932, and the closing balance to be £10,617,432, exclusive of any balance of the Dock loan undrawn at that date.

It is intended that the Public Works loan, as well as the money required for paying off certain existing debt, should be raised in England this year, and a loan of about 120 lakhs of rupees will probably be raised in India to provide funds for the construction of Docks at Bombay and Calcutta. The latter arrangement is made under the orders of the Secretary of State. No pledge as to time, place, or amount of borrowing can be given.

A. COLVIN.

March 24, 1886.

APPENDIX I.

ACCOUNTS AND ESTIMATES.

Accounts	1884-85.
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Budget Estimates	1886-87.

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General Statement of the Accounts and Estimates of the Revenue India, in India

[£1 is recorded for every 10 rupees, in respect f

	For details *vide* Statement.	RECEIPTS.			
		Accounts, 1884-85.	Budget Estimate, 1885-86.	Revised Estimate, 1885-86.	Budget Estimate, 1886-87.
Revenue—		£	£	£	£
Principal Heads of Revenue—					
Land Revenue	...	21,832,211	22,334,200	22,393,400	22,760,300
Opium	...	8,816,469	9,025,500	8,914,700	9,227,600
Salt	...	6,507,236	6,400,000	6,309,700	6,392,500
Stamps	...	3,606,622	3,633,400	3,655,600	3,694,400
Excise	...	4,011,867	4,070,000	4,119,600	4,134,800
Other Heads	A	6,306,017	6,581,000	6,595,500	7,715,500
TOTAL, PRINCIPAL HEADS	A	51,080,422	52,044,100	51.988,500	53,925,100
Interest	„	711,011	672,000	690,600	644,200
Post Office, Telegraph, and Mint	„	1,797,846	1,799,800	1,988,000	1,914,100
Receipts by Civil Departments	„	1,373,144	1,426,900	1,439,700	1,433,800
Miscellaneous	„	723,885	887,900	1,076,900	763,100
Railways	„	11,898,131	12,550,400	13,449,400	13,975,000
Irrigation	„	1,675,975	1,540,500	1,528,600	1,621,600
Buildings and Roads	„	615,097	542,200	544,500	680,100
Receipts by Military Departments	„	815,170	863,800	891,900	841,700
TOTAL REVENUE	...	70,690,681	72,327,600	73,598,100	75,798,700
Debt, Deposits, and Advances—					
Permanent Debt (net Incurred)	C	1,193,924	2,205,000	4,013,300	9,415,400
Unfunded Debt (net Incurred)	„	958,409	648,400	623,100	478,200
Deposits and Advances (net)	„	1,451,478	523,700	2,761,900	2,348,200
Loans to Municipalities, Native States, &c. (net Recoveries)	„	24,051	308,100	100,500	...
Capital of Railway Companies (net Receipts)	„	...	...	3,848,600	...
Remittances (net)	„	...	170,300	1,228,100	...
Secretary of State's Bills drawn	„	13,758,909	13,773,700	10,492,800	13,331,400
TOTAL RECEIPTS	...	88,077,452	89,956,800	96,666,400	101,371,900
Balance on 1st April—India	...	13,199,926	11,926,026	12,540,532	12,401,932
England	...	4,113,221	2,213,121	2,249,378	4,777,978
GRAND TOTAL £	...	105,390,599	104,089,947	111,456,310	118,551,810

FORT WILLIAM,
DEPT. OF FINANCE AND COMMERCE;
The 24th March 1886.

E. W. KELLNER,
Deputy Comptroller General.

and Expenditure and Receipts and Disbursements of the Government of and in England.

transactions *in India* including those of "Exchange."] ***Figures nearest to 100 in columns for Estimates***

	For details *vide* Statement.	DISBURSEMENTS. Accounts, 1884-85.	Budget Estimate, 1885-86.	Revised Estimate, 1885-86.	Budget Estimate, 1886-87.
Expenditure—		£	£	£	£
Direct Demands on the Revenues	B	9,559,055	9,325,700	9,862,500	9,675,200
Interest	„	4,619,443	4,211,400	4,318,300	4,250,300
Post Office, Telegraph, and Mint	„	2,145,249	2,313,700	2,317,100	2,227,500
Salaries and Expenses of Civil Departments	„	11,743,167	11,897,600	12,237,900	12,354,900
Miscellaneous Civil Charges	„	4,315,929	4,526,000	4,543,100	4,848,600
Famine Relief and Insurance	„	1,548,357	1,500,000	1,500,000	1,361,300
Construction of Railways (Charged against Revenue in addition to that under Famine Insurance)	„	263,501	793,800	631,100	109,200
Railway Revenue Account	„	12,949,306	13,709,200	14,231,800	15,696,700
Irrigation	„	2,248,984	2,225,600	2,306,000	2,352,900
Buildings and Roads	„	5,009,277	5,227,600	4,702,900	5,449,300
Army Services	„	16,963,803	16,674,600	19,724,300	18,266,000
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL	...	71,366,071	72,405,200	76,375,000	76,591,900
Add—Provincial Surpluses: that is, portion of Allotments to Provincial Governments not spent by them in the year	End of B	73,840	28,900	357,300	...
Deduct—Provincial Deficits: that is, portion of Provincial Expenditure defrayed from Provincial balances	„	—362,784	—753,100	—243,400	—975,400
TOTAL EXPENDITURE CHARGED AGAINST REVENUE	...	71,077,127	71,681,000	76,488,900	75,616,500
Expenditure not charged to Revenue—					
Capital Expenditure on Public Works not charged against Revenue	End of B	5,860,831	4,831,500	6,965,200	11,886,000
Special Defence Works	„	...	...	...	441,700
Debt, Deposits, and Advances—					
Deposits and Advances (net)	C	...	...	...	...
Loans to Municipalities, Native States, &c. (net Payments)	„	...	...	...	897,600
Capital of Railway Companies (net Payments)	„	391,958	903,100	...	3,162,000
Remittances (net)	„	349,441	...	...	135,400
Secretary of State's Bills paid	„	12,921,332	13,773,700	10,822,300	13,331,400
TOTAL DISBURSEMENTS	...	90,600,689	91,189,300	94,276,400	105,470,600
Balance on 31st March—India	...	12,540,532	10,204,526	12,401,932	10,617,432
England	...	2,249,378	2,696,121	4,777,978	2,463,778
GRAND TOTAL	...	105,390,599	104,089,947	111,456,310	118,551,810
		£	£	£	£
Revenue		70,690,681	72,327,600	73,598,100	75,798,700
Expenditure chargeable thereon		71,077,127	71,681,000	76,488,900	75,616,500
Surplus (+) or Deficit (−)		—386,446	+646,600	—2,890,800	+182,200

E. GAY,
Offg. Comptroller General.

D. BARBOUR,
Secretary to the Government of [redacted]

A.—*Statement of the Revenue of*

[£1 is recorded for every 10 rupees, in respect of

HEADS OF REVENUE.	ACCOUNTS, 1884-85.					REVISED	
	India.		England.	Exchange.*	Total.	India.	
	Imperial.	Provincial and Local.				Imperial.	Provincial and Local.
	£	£	£	£	£	£	£
Principal Heads of Revenue—							
I.—Land Revenue	13,131,739	8,700,472	...	...	21,832,211	13,372,700	9,020,700
II.—Opium	8,816,469	...	...	...	8,816,469	8,914,700	...
III.—Salt	6,476,127	31,109	...	...	6,507,236	6,274,500	35,200
IV.—Stamps	1,823,082	1,783,540	...	...	3,606,622	1,847,500	1,868,100
V.—Excise	2,031,538	1,980,329	...	...	4,011,867	2,086,200	2,033,400
VI.—Provincial Rates	860	2,790,601	...	...	2,791,461	2,400	2,880,300
VII.—Customs	897,348	132,595	...	...	1,029,943	983,700	163,900
VIII.—Assessed Taxes	255,927	255,901	...	...	511,828	257,500	257,500
IX.—Forest	440,782	544,004	1,768	430	986,984	470,800	580,300
X.—Registration	144,139	142,645	...	...	286,784	152,900	151,400
XI.—Tributes from Native States	699,017	...	...	...	699,017	693,600	...
Total	34,717,028	16,361,196	1,768	430	51,080,422	35,056,500	16,930,800
XII.—Interest	635,675	31,941	34,912	8,483	711,011	646,300	32,300
Post Office, Telegraph, and Mint—							
XIII.—Post Office	1,043,177	3,953	...	...	1,047,130	1,098,900	4,400
XIV.—Telegraph	541,058	371	23,430	5,693	570,552	575,400	400
XV.—Mint	180,139	...	20	5	180,164	267,600	...
Total	1,764,374	4,324	23,450	5,698	1,797,846	1,941,900	4,800
Receipts by Civil Departments—							
XVI.—Law and Justice	33,740	512,319	...	...	546,059	51,600	510,700
XVII.—Police	4,076	315,324	...	...	319,400	5,000	318,000
XVIII.—Marine	64,126	101,848	...	...	165,974	110,500	110,100
XIX.—Education	1,466	201,825	...	...	203,291	1,200	193,400
XX.—Medical	3	50,022	2,461	598	53,084	...	53,600
XXI.—Scientific and other Minor Departments	18,309	66,265	613	149	85,336	22,000	59,800
Total	121,720	1,247,603	3,074	747	1,373,144	190,300	1,245,600
Miscellaneous—							
XXII.—Receipts in aid of Superannuation, &c.	171,648	27,520	98,921	23,818	321,907	218,500	26,600
XXIII.—Stationery and Printing	7,759	39,782	...	...	47,541	6,200	44,500
XXIV.—Exchange	12,383	...	...	...	12,383	259,900	...
XXV.—Miscellaneous	66,992	264,695	9,064	2,203	342,954	67,800	278,800
Total	258,782	331,997	107,085	26,021	723,885	552,400	349,900
Railways—							
XXVI.—State Railways (gross Earnings)	7,518,474	900,453	236	56	8,419,213	8,840,900	964,200
XXVII.—Guaranteed Companies (net Traffic Receipts)	3,478,300	...	...	...	3,478,300	3,644,000	...
XXVIII.—Subsidized Companies (Repayment of Advances of Interest)	...	...	497	121	618	...	...
Total	10,996,774	900,453	727	177	11,898,131	12,484,900	964,200
Irrigation—							
XXIX.—Major Works: Direct Receipts	324,719	750,412	...	...	1,075,131	283,500	563,900
Portion of Land Revenue due to Irrigation	465,817	...	...	...	465,817	537,500	...
XXX.—Minor Works and Navigation	26,587	108,440	...	...	135,027	29,300	114,400
Total	817,123	858,852	...	...	1,675,975	850,300	678,300
Buildings and Roads—							
XXXI.—Military Works	40,415	...	...	...	40,415	40,900	...
XXXII.—Civil Works	29,422	522,614	18,219	4,427	574,682	7,000	470,600
Total	69,837	522,614	18,219	4,427	615,097	47,900	470,600
Receipts by Military Departments—							
XXXIII.—Army: Effective	687,670	...	64,436	15,657	767,763	768,100	...
Non-effective	43,326	...	3,283	798	47,407	44,900	...
Total	730,996	...	67,719	16,455	815,170	813,000	...
TOTAL REVENUES	50,112,309	20,258,980	256,954	62,438	70,690,681	52,583,500	20,676,500

* The columns headed "Exchange" show, under the several heads of Revenue and Expenditure which include transactions in England,

INDIA, in India and in England.

transactions *in India*, including those of "Exchange."] ***Figures nearest to 100 in columns for Estimates.***

ESTIMATE, 1885-86.			Increase+ Decrease— of Revised, as compared with Budget Estimates, 1885-86.	BUDGET ESTIMATE, 1886-87.					Increase+ Decrease— of Budget, 1886-87, as compared with Revised Estimate 1885-86.
				INDIA.					
England.	Exchange.*	TOTAL.		Imperial.	Provincial and Local.	England.	Exchange.	TOTAL.	
£	£	£	£	£	£	£	£	£	£
...	...	22,393,400	+ 59,200	14,254,800	8,505,500	...	...	22,760,300	+ 366,900
...	...	8,914,700	— 110,800	9,227,600	...	...	...	9,227,600	+ 312,900
...	...	6,309,700	— 90,300	6,354,600	37,900	...	...	6,392,500	+ 82,800
...	...	3,655,600	+ 22,200	1,873,100	1,821,300	...	...	3,694,400	+ 38,800
...	...	4,119,600	+ 49,600	2,101,600	2,033,200	...	...	4,134,800	+ 15,200
...	...	2,882,700	+ 25,900	2,100	2,907,900	...	...	2,909,100	+ 26,400
...	...	1,147,600	— 27,400	1,006,300	166,900	...	...	1,173,200	+ 25,600
...	...	515,000	+ 100	1,200,600	257,500	...	...	1,458,100	+ 943,100
900	300	1,052,300	— 8,900	562,700	590,600	...	...	1,153,300	+ 101,000
...	...	304,300	+ 22,500	155,300	154,500	...	...	309,800	+ 5,500
...	...	693,600	+ 2,300	712,000	...	...	...	712,000	+ 18,400
900	300	51,988,500	— 55,600	37,450,700	16,474,400	...	...	53,925,100	+ 1,936,600
9,100	2,900	690,600	+ 18,600	599,500	31,400	10,000	3,300	644,200	— 46,400
...	...	1,103,300	+ 1,600	1,151,400	5,700	...	...	1,157,100	+ 53,800
31,400	9,900	617,100	+ 44,000	563,800	400	8,800	2,900	575,900	— 41,200
...	...	267,600	+ 142,600	181,100	...	...	...	181,100	— 86,500
31,400	9,900	1,988,000	+ 188,200	1,896,300	6,100	8,800	2,900	1,914,100	— 73,900
...	...	562,300	— 33,000	58,800	517,200	...	...	576,000	+ 13,700
...	...	323,000	+ 11,400	5,300	316,900	...	...	322,200	— 800
...	...	220,600	+ 44,200	71,800	113,000	...	...	184,800	— 35,800
...	...	194,600	— 7,200	1,200	202,600	...	...	203,800	+ 9,200
2,400	700	56,700	+ 1,600	100	55,100	2,000	600	57,800	+ 1,100
500	200	82,500	— 4,200	26,100	62,400	500	200	89,200	+ 6,700
2,900	900	1,439,700	+ 12,800	163,300	1,267,200	2,500	800	1,433,800	— 5,900
125,300	39,500	409,900	+ 32,700	235,200	29,400	96,400	32,100	393,100	— 16,800
...	...	50,700	— 3,400	31,600	39,900	...	...	71,500	+ 20,800
...	...	259,900	+ 74,800	...	..	...	...	...	259,900
7,500	2,300	356,400	+ 74,900	50,900	243,600	3,000	1,000	298,500	— 57,900
132,800	41,800	1,076,900	+ 189,000	317,700	312,900	99,400	33,100	763,100	— 313,800
200	100	9,805,400	+ 615,000	9,798,500	1,042,700	200	100	10,841,500	+ 1,036,100
...	...	3,644,000	+ 284,000	3,133,500	...	...	...	3,133,500	— 510,500
...	...	...	...	...	...	...	...	...	...
200	100	13,449,400	+ 899,000	12,932,000	1,042,700	200	100	13,975,000	+ 525,600
...	...	847,400	— 27,300	339,800	581,500	...	...	921,300	+ 73,900
...	...	537,500	+ 7,100	555,700	...	...	...	555,700	+ 18,200
...	...	143,700	+ 8,300	29,000	115,600	...	...	144,600	+ 900
...	...	1,528 600	— 11,900	924,500	697,100	...	...	1,621,600	+ 93,000
...	...	40,900	+ 100	188,100	...	...	...	188,100	+ 147,200
19,800	6,200	503,600	+ 2,200	7,900	455,400	21,500	7,200	492,000	— 11,600
19,800	6,200	544,500	+ 2,300	196,000	455,400	21,500	7,200	680,100	+ 135,600
57,000	18,000	843,100	+ 27,500	744,900	...	33,000	11,000	788,900	— 54,200
3,000	900	48,800	+ 600	48,100	...	3,500	1,200	52,800	+ 4,000
60,000	18,900	891,900	+ 28,100	793,000	...	36,500	12,200	841,700	— 50,200
257,100	81,000	73,598,100	+ 1,270,500	55,273,000	20,287,200	178,900	59,600	75,798,700	+ 2,200,600

the Exchange thereon calculated in accordance with the average Rate obtained for Bills and Telegraphic Transfers sold during the year.

B.—*STATEMENT of the EXPENDITURE chargeable on the*

[£1 is recorded for every 10 rupees, in respect of

HEADS OF EXPENDITURE.	ACCOUNTS, 1884-85.					REVISED
	INDIA.		England.	Exchange.†	TOTAL.	INDIA.	
	Imperial.	Provincial and Local.				Imperial.	Provincial and Local.
Direct Demands on the Revenues—	£	£	£	£	£	£	£
1.—Refunds and Drawbacks	126,098	74,738	...	...	200,836	146,100	85,600
2.—Assignments and Compensations	536,100	739,342	...	...	1,275,442	602,100	739,700
Charges in respect of Collection, *viz.*:—							
3.—Land Revenue	288,828	3,074,047	412	100	3,363,387	286,200	3,097,900
*4.—Opium (including cost of Production)	2,962,532	...	3,305	803	2,966,640	3,104,000	...
5.—Salt (including cost of Production)	368,886	80,351	73	18	449,328	386,800	91,800
6.—Stamps	24,744	60,100	45,528	11,063	141,435	23,400	60,000
7.—Excise	51,884	51,733	42	10	103,669	43,900	44,000
8.—Provincial Rates	...	50,660	...	...	50,660	...	47,100
9.—Customs	...	136,860	...	...	136,860	...	131,400
10.—Assessed Taxes	6,468	6,468	...	...	12,936	6,200	6,500
11.—Forest	302,286	372,287	3,881	943	679,397	306,100	388,600
12.—Registration	89,544	88,921	...	...	178,465	93,100	92,400
TOTAL	4,757,370	4,735,507	53,241	12,937	9,559,055	4,997,900	4,785,000
Interest—							
13.—Interest on Debt* other than that charged to Railways and Irrigation Works	893,245	...	2,609,687	634,133	4,137,065	664,700	...
14.—Interest on other Obligations	474,098	4,588	2,970	722	482,378	455,200	2,900
TOTAL	1,367,343	4,588	2,612,657	634,855	4,619,443	1,119,900	2,900
Office, Telegraph, and Mint—							
15.—Post Office	1,020,993	104,282	116,798	28,381	1,270,454	1,051,200	108,900
16.—Telegraph	563,241	800	180,527	43,867	788,435	536,900	800
17.—Mint	74,183	...	9,797	2,380	86,360	98,000	...
TOTAL	1,658,417	105,082	307,122	74,628	2,145,249	1,686,100	109,700
Salaries and Expenses of Civil Departments—							
18.—General Administration	591,085	783,824	234,930	57,986	1,666,925	604,300	781,700
19.—Law and Justice	167,482	3,137,149	1,984	263	3,305,978	168,100	3,175,400
20.—Police	76,189	2,756,536	...	...	2,832,725	87,400	2,755,900
21.—Marine (including River Navigation)	195,509	144,228	154,656	37,580	531,973	212,300	123,600
22.—Education	15,842	1,222,597	280	68	1,238,787	14,500	1,232,900
23.—Ecclesiastical	165,774	...	512	125	166,411	165,400	...
24.—Medical	14,982	718,945	7,880	1,915	743,722	15,700	725,700
25.—Political	758,694	573	31,988	7,773	799,028	1,086,800	600
26.—Scientific and other Minor Departments	249,997	187,961	15,817	3,843	457,618	270,000	197,300
TOTAL	2,235,554	8,951,813	447,147	108,653	11,743,167	2,624,500	8,993,100
Miscellaneous Civil Charges—							
27.—Territorial and Political Pensions	635,459	...	28,874	7,016	671,349	627,700	...
28.—Civil Furlough and Absentee Allowances	14,852	...	198,275	48,179	261,306	6,200	...
29.—Superannuation Allowances and Pensions	227,755	554,767	1,418,741	344,743	2,546,006	214,800	572,100
30.—Stationery and Printing	3,797	380,027	129,608	31,494	544,926	28,900	384,600
31.—Exchange	...	...	...	...	...	...	...
32.—Miscellaneous	59,390	193,281	31,916	7,755	292,342	80,700	200,600
TOTAL	941,253	1,128,075	1,807,414	439,187	4,315,929	958,300	1,157,300
Famine Relief and Insurance—							
33.—Famine Relief	927	6,423	...	...	7,350	...	38,500
34.—Construction of Protective Railways	946,457	...	...	...	946,457	589,000	...
35.—Construction of Protective Irrigation Works	253,046	...	...	...	253,046	198,600	...
36.—Reduction of Debt	341,504	...	...	...	341,504	673,900	...
TOTAL	1,541,934	6,423	...	...	1,548,357	1,461,500	38,500
Carried over	12,501,871	14,931,488	5,227,581	1,270,260	33,931,200	12,848,200	15,086,500

The "Interest on Debt" is distributed as follows:—

	ACCOUNTS, 1884-85.			
	India.	England.	Exchange.	TOTAL.
	£	£	£	£
Interest on Debt (other than that charged to Railways and Irrigation Works) as above	893,245	2,609,687	634,133	4,137,065
Under Railway Revenue Account	1,057,935	353,326	85,855	2,397,116
Under Irrigation	932,004	—	—	932,004
TOTAL £	3,783,184	2,963,013	719,988	7,466,185

* See foot-note to Statement No.

Revenues of India, in India and in England.

transactions ***in India,*** including those of "Exchange."] ***Figures nearest to 100 in columns for Estimates.***

ESTIMATE, 1885-86.			Increase + Decrease — of Revised as compared with Budget Estimates, 1885-86.	BUDGET ESTIMATE, 1886-87.					Increase + Decrease — of Budget, 1886-87, as compared with Revised Estimates, 1885-86.
				India.		England.	Exchange.	Total.	
England.	Exchange.†	Total.		Imperial.	Provincial and Local.				
£	£	£	£	£	£	£	£	£	£
...	...	231,700	+7,300	131,600	75,400	...	...	207,000	−24,700
...	...	1,341,800	+93,300	560,700	740,300	...	...	1,301,000	−40,800
1,100	400	3,385,600	−58,800	412,700	3,175,300	600	200	3,588,800	+203,200
4,700	1,500	3,110,200	+630,800	2,648,400	...	1,600	500	2,650,500	−459,700
1,700	500	480,800	−11,500	395,800	100,800	...	...	496,600	+15,800
48,500	15,300	147,200	+5,900	23,300	60,800	51,900	17,300	153,300	+6,100
900	300	89,100	−34,400	52,900	52,900	...	...	105,800	+16,700
...	...	47,100	−66,400	...	46,600	...	...	46,600	−500
...	...	131,400	−1,800	...	133,400	...	...	133,400	+2,000
...	...	12,700	−700	52,200	6,500	...	...	58,700	+46,000
3,600	1,100	699,400	−31,300	325,200	413,900	2,400	800	742,300	+42,900
...	...	185,500	+4,400	96,000	95,200	...	...	191,200	+5,700
60,500	**19,100**	**9,862,500**	**+536,800**	**4,698,800**	**4,901,100**	**56,500**	**18,800**	**9,675,200**	**−187,300**
2,429,100	765,300	3,859,100	+61,600	415,400	...	2,603,000	867,700	3,886,100	+27,000
800	300	459,200	+45,300	360,000	2,900	1,000	300	364,200	−95,000
2,429,900	**765,600**	**4,318,300**	**+106,900**	**775,400**	**2,900**	**2,604,000**	**868,000**	**4,250,300**	**−68,000**
105,000	33,100	1,298,200	−23,900	1,090,300	111,600	114,100	38,000	1,354,000	+55,800
268,800	84,700	891,200	−9,900	586,800	800	144,200	48,100	779,900	−111,300
22,600	7,100	127,700	+37,200	84,500	...	6,800	2,300	93,600	−34,100
396,400	**124,900**	**2,317,100**	**+3,400**	**1,761,600**	**112,400**	**265,100**	**88,400**	**2,227,500**	**−89,600**
264,000	83,200	1,733,200	+98,000	612,400	789,600	256,600	85,500	1,744,100	+10,900
1,200	400	3,345,100	−95,300	223,200	3,244,300	2,000	700	3,470,200	+125,100
...	...	2,843,300	−12,400	224,000	2,793,900	...	...	3,017,900	+174,600
145,600	45,900	527,400	−37,200	250,500	125,100	212,500	70,800	658,900	+131,500
400	100	1,247,900	−44,200	15,500	1,310,700	200	100	1,326,500	+78,600
700	200	166,300	−3,800	172,400	...	300	100	172,800	+6,500
9,000	2,800	753,200	−16,800	23,400	755,100	7,600	2,500	788,600	+35,400
32,400	10,200	1,130,000	+463,200	644,900	600	27,300	9,100	681,900	−448,100
18,400	5,800	491,500	−11,200	271,500	195,500	20,200	6,800	494,000	+2,500
471,700	**148,600**	**12,237,900**	**+340,300**	**2,437,800**	**9,214,800**	**526,700**	**175,600**	**12,354,900**	**+117,000**
22,400	7,100	657,200	−24,600	644,800	...	22,100	7,400	674,300	+17,100
198,000	62,400	266,600	−16,500	6,300	...	220,000	73,300	299,600	+33,000
1,516,000	477,600	2,780,500	+60,500	95,500	599,300	1,608,000	536,000	2,838,800	+58,300
78,000	24,600	516,100	−28,400	36,200	391,600	96,300	32,100	556,200	+40,100
...	...	...	...	137,700	...	...	...	137,700	+137,700
31,500	9,900	322,700	+26,100	96,900	207,100	28,500	9,500	342,000	+20,300
1,845,900	**581,600**	**4,543,100**	**+17,100**	**1,017,400**	**1,198,000**	**1,974,900**	**658,300**	**4,848,600**	**+305,500**
...	...	38,500	+5,500	...	1,000	...	...	1,000	−37,500
...	...	589,000	+89,000	500,000	...	...	...	500,000	−89,000
...	...	198,600	−88,700	111,300	...	...	...	111,300	−87,300
...	...	673,900	−5,800	749,000	...	...	...	749,000	+75,100
...	...	**1,500,000**	...	**1,360,300**	[illegible]	...	...	**1,361,300**	**−138,700**
5,204,400	**1,639,800**	**34,778,900**	**+1,004,500**	**12,051,300**	**15,430,200**	**5,427,200**	**1,809,100**	**34,717,800**	**−61,100**

REVISED ESTIMATE, 1885-86.				BUDGET ESTIMATE, 1886-87.			
India.	England.	Exchange.	Total.	India.	England.	Exchange.	Total.
£	£	£	£	£	£	£	£
664,700	2,429,100	765,300	3,859,100	415,400	2,603,000	867,700	3,886,100
2,174,300	366,200	115,400	2,655,900	2,409,100	517,900	172,600	3,099,600
966,000	...	...	966,000	997,800	...	...	997,800
3,805,000	**2,795,300**	**880,700**	**7,481,000**	**3,822,300**	**3,120,900**	**1,040,300**	**7,983,500**

B.—*STATEMENT of the EXPENDITURE chargeable on the*

[£1 is recorded for every 10 rupees, in respect of

HEADS OF EXPENDITURE.	ACCOUNTS, 1884-85.					REVISED
	INDIA.		England.	Exchange.*	TOTAL.	INDIA.
	Imperial.	Provincial and Local.				Imperial.	Provincial and Local.
	£	£	£	£	£	£	£
Brought forward	12,501,871	14,931,488	5,227,581	1,270,260	33,931,200	12,848,200	15,086,500
37.—Construction of Railways (Charged against Revenue in addition to that under Famine Insurance)	172,825	90,676	...	...	263,501	500,000	131,100
Railway Revenue Account—							
38.—State Railways: Working Expenses	3,599,880	613,016	...	...	4,212,896	4,062,300	677,800
Interest on Debt	1,616,959	340,976	353,326	85,855	2,397,116	1,804,100	370,200
Annuities in purchase of Railways	...	...	1,220,582	296,592	1,517,174	...	...
Interest on Capital deposited by Companies	118,170	...	...	...	118,170	300	...
39.—Guaranteed Companies: Surplus Profits, Land and Supervision	492,952	...	...	...	492,952	493,500	...
Interest	29,651	...	3,217,240	781,763	4,028,654	4,100	...
40.—Subsidized Companies: Land, &c.	27,729	11,822	...	...	39,551	31,000	16,800
Advances of Interest	...	...	36,395	8,844	45,239	...	...
41.—Miscellaneous Railway Expenditure	80,797	16,757	...	...	97,554	91,500	11,400
TOTAL	5,966,138	982,571	4,827,543	1,173,054	12,949,306	6,486,800	1,076,200
Irrigation—							
42.—Major Works: Working Expenses	233,313	338,467	...	...	571,780	260,000	333,300
Interest on Debt	461,452	470,552	...	...	932,004	486,900	479,100
43.—Minor Works and Navigation	522,983	222,136	65	16	745,200	524,100	221,800
TOTAL	1,217,748	1,031,155	65	16	2,248,984	1,271,000	1,034,200
Buildings and Roads—							
44.—Military Works	943,344	...	5,071	1,232	949,647	985,400	...
45.—Civil Works	465,186	3,512,034	66,300	16,110	4,059,630	378,100	3,234,600
TOTAL	1,408,530	3,512,034	71,371	17,342	5,009,277	1,363,500	3,234,600
Army Services—							
46.—Army: Effective	11,201,832	...	1,614,138	392,222	13,208,192	14,043,300	...
Non-Effective	821,797	...	2,360,284	573,530	3,755,611	830,100	...
TOTAL	12,023,629	...	3,974,422	965,752	16,963,803	14,873,400	...
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL	33,290,741	20,547,924	14,100,982	3,426,424	71,366,071	37,342,900	20,562,600
Add—Portion of Allotments to Provincial Governments not spent by them in the year	...	73,840	...	...	73,840	...	357,300
Deduct—Portion of Provincial Expenditure defrayed from Provincial balances	...	—362,784	...	...	—362,784	...	—243,400
Total Expenditure charged against Revenue	33,290,741	20,258,980	14,100,982	3,426,424	71,077,127	37,342,900	20,676,500

	ACCOUNTS, 1884-85.			
	India.	England.	Exchange.	Total.
Expenditure not Charged to Revenue—	£	£	£	£
Capital Expenditure on Public Works not charged against Revenue—				
47.—State Railways: Construction	2,186,573	1,077,705	261,874	3,526,152
Redemption of Liabilities	...	1,314,746	319,472	1,634,218
48.—Irrigation Works	694,920	4,458	1,083	700,461
TOTAL	2,881,493	2,396,909	5,482,429	5,860,831
49.—SPECIAL DEFENCE WORKS	...	...	...	...

* See footnote to Statement No. 2, p. 484.

Revenues of India, in India and in England—continued.

transactions *in India*, including those of "Exchange."] ***Figures nearest to 100 in columns for Estimates.***

ESTIMATE, 1885-86.			Increase + Decrease— of Revised, as compared with Budget Estimates, 1885-86.	BUDGET ESTIMATE, 1886-87.					Increase + Decrease— of Budget, 1886-87, as compared with Revised Estimates, 1885-86.
				India.		England.	Exchange.	Total.	
England.	Exchange.*	Total.		Imperial.	Provincial and Local.				
£	£	£	£	£	£	£	£	£	£
5,204,400	1,639,800	34,778,900	+1,004,500	12,051,300	15,430,200	5,427,200	1,809,100	34,717,800	—61,100
...	...	631,100	—162,700	...	109,200	...	...	109,200	—521,900
...	...	4,740,100	+210,700	4,868,500	700,600	..	...	5,569,100	+829,000
366,200	115,400	2,655,900	+31,300	2,019,400	389,700	517,900	172,600	3,099,600	+443,700
1,324,400	417,300	1,741,700	+77,700	...	...	1,725,800	575,300	2,301,100	+559,400
171,000	53,900	225,200	+46,800	400	...	309,000	103,000	412,400	+187,200
...	...	493,500	—22,500	497,500	...	..	...	497,500	+4,000
3,180,700	1,002,100	4,186,900	+134,100	3,400	...	2,690,600	896,900	3,590,900	—596,000
...	...	47,800	+8,000	50,000	19,500	...	...	69,500	+21,700
28,800	9,000	37,800	+37,800	...	...	27,500	9,100	36,600	—1,200
...	...	102,900	—1,300	105,000	15,000	...	...	120,000	+17,100
5,071,100	1,597,700	14,231,800	+522,600	7,544,200	1,124,800	5,270,800	1,756,900	15,696,700	+1,464,900
...	...	593,300	+200	272,300	339,400	...	...	611,700	+18,400
...	...	966,000	+41,100	509,700	488,100	...	...	997,800	+31,800
600	200	746,700	+39,100	539,600	201,000	2,100	700	743,400	—3,300
600	200	2,306,000	+80,400	1,321,600	1,028,500	2,100	700	2,352,900	+46,900
8,600	2,700	996,700	—94,400	1,152,300	...	2,300	800	1,155,400	+158,700
71,100	22,400	3,706,200	—430,300	621,000	3,569,900	77,300	25,700	4,293,900	+587,700
79,700	25,100	4,702,900	—524,700	1,773,300	3,569,900	79,600	26,500	5,449,300	+746,400
2,017,300	635,500	16,696,100	+3,423,800	12,449,000	...	1,969,200	656,400	15,074,600	—1,621,500
1,671,500	526,600	3,028,200	—374,100	839,400	...	1,764,000	588,000	3,191,400	+163,200
3,688,800	1,162,100	19,724,300	+3,049,700	13,288,400	...	3,733,200	1,244,400	18,266,000	—1,458,300
14,044,600	4,424,900	76,375,000	+3,969,800	35,978,800	21,262,600	14,512,900	4,837,600	76,591,900	+216,900
...	...	357,300	+328,400	...	...	...	...	...	—357,300
...	...	—243,400	+509,700	...	—975,400	...	...	—975,400	—732,000
14,044,600	4,424,900	76,488,900	+4,807,900	35,978,800	20,287,200	14,512,900	4,837,600	75,616,500	—872,400

REVISED ESTIMATE, 1885-86.				BUDGET ESTIMATE, 1886-87.			
India.	England.	Exchange.	Total.	India.	England.	Exchange.	Total.
£	£	£	£	£	£	£	£
2,546,900	1,800,000	567,100	4,914,000	2,327,100	1,800,000	600,000	4,727,100
...	1,089,000	343,100	1,432,100	...	4,844,200	1,614,700	6,458,900
610,700	6,400	2,000	619,100	700,000	...	...	700,000
3,157,600	2,895,400	912,200	6,965,200	3,027,100	6,644,200	2,214,700	11,886,000
...	...	...	...	235,000	155,000	51,700	441,700

* See foot-note to Statement No. 2, page 484.

C.—*Statement of Receipts and Disbursements other than Revenue*

[£ 1 is recorded for every 10 rupees; in respect of

	Accounts, 1884-85.			Revised Estimate, 1885-86.			Budget Estimate, 1886-87.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Revenue (from Statement No. 2)	70,371,289	256,954	70,628,243	73,260,000	257,100	73,517,100	75,560,200	178,900	75,739,100
Exchange added to Revenue	62,438	...	62,438	81,000	...	81,000	59,600	...	59,600
Total	70,433,727	256,954	70,690,681	73,341,000	257,100	73,598,100	75,619,800	178,900	75,798,700
Permanent Debt incurred—									
Sterling Debt—									
3½ p. c. India Stock	...	239,792		...	1,089,000		...	...	
3 p. c. Stock	...	3,248,548		...	2,985,000		...	...	
Debenture and Debenture Stock	...	811,616		...	...		...	4,844,200	
Proposed Loan	...	...		...	...		...	5,000,000	
Rupee Debt—									
4 p. c. Rupee Loan	20	...		...	...		...	...	
Stock Notes	5,352	...		1,100	...		1,000	...	
Miscellaneous	8,500	...		...	...		...	...	
Proposed Loan	...	...		...	...		1,200,000	...	
Total	13,872	4,299,956	4,313,828	1,100	4,074,000	4,075,100	1,201,000	9,844,200	11,045,200
Net	...	...	1,193,924	...	...	4,013,300	...	...	9,415,400
Unfunded Debt—									
Temporary Loans	...	750,000		...	1,000,000		...	...	
Special Loans	4,000	...		...	...		...	...	
Treasury Notes	344,592	...		6,200	...		...	...	
Deposits of Service Funds	715,795	4,547		467,200	...		121,800	...	
Savings Bank Deposits	3,141,683	...		3,259,900	...		3,643,900	...	
Total	4,205,980	754,547	4,960,527	3,733,300	1,000,000	4,733,300	3,765,700	...	3,765,700
Net	...	...	958,409	...	...	623,100	...	...	478,200
Deposits and Advances—									
Balances of Provincial Allotments	73,840	...		357,300	...		...	...	
Commission for the Reduction of Debt	341,504	...		673,900	...		749,000	...	
Excluded Local Funds	632,150	...		635,200	...		596,400	...	
Political, Railway, and Military Prize Funds	44,823	...		60,900	...		54,900	...	
Departmental and Judicial Deposits	16,634,382	...		16,300,000	...		25,043,900	...	
Advances	7,480,577	2,035		11,499,400	3,600		7,699,200	3,000	
Suspense Accounts	39,097	...		65,700	...		11,500	...	
Exchange Adjusting Account	3,934,032	...		4,996,200	...		7,182,100	...	
Miscellaneous	724,621	250,000		38,000	250,300		35,500	...	
Total	29,905,026	252,035	30,157,061	34,626,600	253,900	34,880,500	31,372,500	3,000	31,375,500
Net	...	...	1,451,478	...	...	2,761,900	...	...	2,348,200
Carried over	104,558,605	5,563,492		111,702,000	5,585,000		111,959,000	10,026,100	

and Expenditure of the Government of India, in India and in England.

transactions *in India*, including those of "Exchange."] ***Figures nearest to 100 in columns for Estimates.***

	Accounts, 1884-85.			Revised Estimate, 1885-86.			Budget Estimate, 1886-87.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Expenditure, Imperial and Provincial (from Statement No. 3)	53,838,665	14,100,982	67,939,647	57,905,500	14,044,600	71,950,100	57,241,400	14,512,900	71,754,300
Exchange, charged as Expenditure	3,426,424	...	3,426,424	4,424,900	...	4,424,900	4,837,600	...	4,837,600
Add—Provincial Surpluses, transferred to "Deposits"	73,840	...	73,840	357,300	...	357,300	...	...	...
Deduct—Provincial Deficits, charged against "Deposits"	—362,784	...	—362,784	—243,400	...	—243,400	—975,400	...	—975,400
TOTAL	56,976,145	14,100,982	71,077,127	62,444,300	14,044,600	76,488,900	61,103,600	14,512,900	75,616,500
Expenditure not charged to Revenue—									
Capital Expenditure on Public Works not charged against Revenue	2,881,493	2,396,909		3,157,600	2,895,400		3,027,100	6,644,200	
Special Defence Works	...	...		...	...		235,000	155,000	
Add—Exchange on Expenditure not charged to Revenue	582,429	...		912,200	...		2,266,400	...	
	3,463,922	2,396,909	5,860,831	4,069,800	2,895,400	6,965,200	5,528,500	6,799,200	12,327,700
Permanent Debt discharged—									
Sterling Debt—									
East India Bonds	...	1,200		...	...		...	...	
India 5 p. c. Stock	...	363		...	...		...	...	
India 4 p. c. Debentures	...	3,005,500		...	1,000		...	...	
India 4 p. c. Stock	...	...		...	...		...	...	
East Indian Railway Debentures	...	...		...	...		...	...	
East Indian Railway Debenture Stock	...	39,610		...	...		...	...	
Eastern Bengal Railway Debentures	...	52,450		...	200		...	409,700	
Do. Debenture Stock	...	600		...	...		...	...	
Rupee Debt—									
4 p. c. Loans	7,797	...		...	...		...	...	
Loans under discharge	12,230	...		13,500	...		1,219,100	...	
Stock Notes	...	...		47,100	...		1,000	...	
Miscellaneous	154	...		...	...		...	...	
TOTAL	20,181	3,099,723	3,119,904	60,600	1,200	61,800	1,220,100	409,700	1,629,800
NET	...	...	0	...	...	0	...	...	0
Unfunded Debt—									
Temporary Loans	...	750,000		...	1,000,000		...	...	
Special Loans	14,043	...		14,200	...		...	...	
Treasury Notes	168,135	...		21,300	...		...	...	
Deposits of Service Funds	631,750	809		212,000	30,700		63,400	...	
Savings Bank Deposits	2,437,381	...		2,832,000	...		3,224,100	...	
TOTAL	3,251,309	750,809	4,002,118	3,079,500	1,030,700	4,110,200	3,287,500	...	3,287,500
NET	...	...	0	...	...	0	...	...	0
Deposits and Advances—									
Balances of Provincial Allotments	362,784	...		243,400	...		975,400	...	
Commission for the Reduction of Debt	2,620	...		500	...		500	...	
Excluded Local Funds	625,971	...		595,800	...		594,200	...	
Political, Railway, and Military Prize Funds	99,144	...		138,000	...		50,000	...	
Departmental and Judicial Deposits	16,754,852	...		16,409,200	...		15,210,800	...	
Advances	7,313,353	2,666		11,332,100	3,600		7,818,600	3,000	
Suspense Accounts	187,256	...		36,500	...		20,100	...	
Exchange Adjusting Account	3,229,388	...		3,233,900	...		4,319,900	...	
Miscellaneous	127,549	...		122,500	3,100		34,800	...	
TOTAL	28,702,917	2,666	28,705,583	32,111,900	6,700	32,118,600	29,024,300	3,000	29,027,300
NET	...	...	0	...	...	0	...	...	0
Carried over	92,414,474	20,351,089		101,766,100	17,978,600		100,164,000	21,724,800	

C.—*Statement of Receipts and Disbursements other than Revenue and*

[£1 is recorded for every 10 rupees, in respect of

	Accounts, 1884-85.			Revised Estimate, 1885-86.			Budget Estimate, 1886-87.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward .	104,558,605	5,563,492		111,702,000	5,585,000		111,959,000	10,026,100	
Loans to Municipalities, Native States, &c.—	294,339	...	294,339	323,800	...	323,800	484,400	...	484,400
Net .	...	...	24,051	...	...	100,500	...	...	0
Capital Receipts from Railway Companies									
On Account of Subscribed Capital .	3,280	2,836,111		100	7,300,000		2,300	2,058,200	
Repayments . .	1,986,383	20,060		1,644,100	19,400		1,684,700	...	
Total .	1,989,663	2,856,171	4,845,834	1,644,200	7,319,400	8,963,600	1,687,000	2,058,200	3,745,200
Net .	...	...	0	...	...	3,848,600	...	...	0
Remittances—									
Inland Money Orders .	8,192,822	...		8,220,000	...		8,250,000	...	
Other Departmental Accounts . .	937,591	...		1,064,000	...		485,300	...	
Net Receipts by Civil Treasuries from—									
Post Office . .	618,484	...		577,000	...		489,900	...	
Guaranteed Railways	4,370,709	...		4,500,200	...		3,649,200	...	
Net Receipts from Civil Treasuries by—									
Telegraph . .	92,856	...		55,300	...		103,400	...	
Marine . .	305,442	...		422,400	...		207,100	...	
Military . .	11,403,530	...		13,280,700	...		12,156,000	...	
Public Works .	5,346,649	...		5,659,000	...		4,989,000	...	
Remittance Account between England and India . . .	1,320,897	408,738		1,795,900	1,050,600		2,731,300	192,500	
Total .	32,588,980	408,738	32,997,718	35,574,500	1,050,600	36,625,100	33,061,200	192,500	33,253,700
Net .	...	...	0	...	...	1,228,100	...	...	0
Secretary of State's Bills drawn	...	13,758,909	13,758,909	...	10,492,800	10,492,800	...	13,331,400	13,331,400
Total Receipts .	139,431,587	22,587,310		149,244,500	24,447,800		147,191,600	25,608,200	
Opening Balance .	13,199,926	4,113,221		12,540,532	2,249,378		12,401,932	4,777,978	
GRAND TOTAL . £	152,631,513	26,700,531		161,785,032	26,697,178		159,593,532	30,386,178	

FORT WILLIAM,
DEPT. OF FINANCE AND COMMERCE;
The 24th March 1886.

E. W. KELLNER,
Deputy Comptroller General.

Expenditure of the Govt. of India, in India and in England—continued.

transactions *in India*, including those of "Exchange."] ***Figures nearest to 100 in columns for Estimates.***

	Accounts, 1884-85.			Revised Estimate, 1885-86.			Budget Estimate, 1886-87.		
	India	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward	92,414,474	20,351,089		101,766,100	17,978,600		100,164,000	21,724,800	
Loans to Municipalities, Native States, &c.	270,288	...	270,288	223,300	...	223,300	1,382,000	...	1,382,000
Net	...	...	0	...	...	0	...	...	897,600
Payments to Railway Companies on Capital Account—									
For discharge of Debenture	...	1,032,760		....	285,500		...	1,458,200	
For Expenditure	2,431,909	1,773,183		2,873,400	1,956,100		3,420,900	2,028,100	
Total	2,431,909	2,805,883	5,237,792	2,873,400	2,241,600	5,115,000	3,420,900	3,486,300	6,907,200
Net	...	...	391,958	...	...	0	...	...	3,162,000
Remittances—									
Inland Money Orders	8,197,001	...		8,220,000	...		8,250,000	...	
Other Local Remittances (net)	9,195	...		...	...		...	...	
Other Departmental Accounts	930,468	...		1,071,600	...		494,400	...	
Net Payments into Civil Treasuries by—									
Post Office	609,189	...		487,000	...		489,900	...	
Guaranteed Railways	4,370,709	...		4,500,200	...		3,649,200	...	
Net issues from Civil Treasuries to—									
Telegraph	91,206	...		55,300	...		103,400	...	
Marine	304,849	...		422,400	...		207,100	...	
Military	11,402,158	...		13,280,700	...		12,156,000	...	
Public Works	5,323,104	...		4,759,000	...		4,989,000	...	
Remittance Account between England and India	815,099	1,294,181		901,800	1,699,000		338,800	2,711,300	
Total	32,052,978	1,294,181	33,347,159	33,698,000	1,699,000	35,397,000	30,677,800	2,711,300	33,389,100
Net	...	...	349,441	...	...	0	...	...	135,400
Secretary of State's Bills paid	12,921,332	...	12,921,332	10,822,300	...	10,822,300	13,331,400	...	13,331,400
Total Disbursements	140,090,981	24,451,153		149,383,100	21,919,200		148,976,100	27,922,400	
Closing Balance	12,540,532	2,249,378		12,401,932	4,777,978		10,617,432	2,463,778	
GRAND TOTAL £	152,631,513	26,700,531		161,785,032	26,697,178		159,593,532	30,386,178	

E. GAY,
Offg. Comptroller General.

D. BARBOUR,
Secretary to the Government of India.

D.—*Account of Provincial and Local Savings charged to Revenue, and held at the disposal of Provincial Governments under their Provincial contracts.*

Provincial and Local Balances.

NOTE.—These balances do not include the Balances of Deposits and Advances upon Local Fund Accounts.

	India.	Central Provinces.	Burmah.	Assam.	Bengal.	N.-W. P. & Oudh.	Punjab.	Madras.	Bombay.	TOTAL.
	£	£	£	£	£	£	£	£	£	£
Accounts, 1884-85.										
Balance at end of 1883-84(*a*) .	8,787	313,926	128,169	112,270	262,693	721,014	322,059	735,625	543,565	3,148,108
Added in 1884-85 . . .	...	34,201	...	...	39,639	...	...	...	...	73,840
Spent in 1884-85 . . .	451	...	97,369	35,239	...	65,481	24,464	123,531	16,229	362,784
Balance at end of 1884-85 .	8,336	348,127	30,800	77,011	302,332	655,533	297,595	612,094	527,336	2,859,164
Revised Estimate, 1885-86.										
Balance at end of 1884-85 (by Accounts).	8,336	348,127	30,800	77,011	302,332	655,533	297,595	612,094	527,336	2,859,164
Added in 1885-86 . . .	1,300	14,400	...	13,700	44,500	...	20,700	35,400	227,300	357,300
Spent in 1885-86 . . .	...	...	10,000	...	...	233,400	...	...	...	243,400
Balance at end of 1885-86 .	9,636	362,527	20,800	90,711	346,832	422,133	318,295	647,494	754,636	2,973,064
Budget Estimate, 1886-87.										
Balance at end of 1885-86 (by Revised Estimate).	9,636	362,527	20,800	90,711	346,832	422,133	318,295	647,494	754,636	2,973,064
Added in 1886-87 . . .	...	...	...	...	...	...	...	...	...	...
Spent in 1886-87 . . .	1,700	185,300	20,600	50,000	73,700	200,300	70,000	70,400	303,400	975,400
Balance at end of 1886-87 .	7,936	177,227	200	40,711	273,132	221,833	248,295	577,094	451,236	1,997,664

(*a*) See Appropriation Report, Abstract D.

E. W. KELLNER,
Deputy Comptroller General.

E. GAY,
Offg. Comptroller General.

D. BARBOUR,
Secretary to the Government of India

FORT WILLIAM,
DEPT. OF FINANCE AND COMMERCE;
The 24th March 1886.

E.—*Statement of Net Revenue and Expenditure—England and India.*

Net Revenue.

₹10=£1. Figures to nearest 100.

	Accounts, 1884-85.					Revised Estimate, 1885-86.					Budget Estimate, 1886-87.				
	Gross Revenue.	Refunds and Drawbacks.	Total after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.	Gross Revenue.	Refunds and Drawbacks.	Total after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.	Gross Revenue.	Refunds and Drawbacks.	Total after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Land Revenue	21,832,211	48,541	21,783,670	3,363,387	18,420,283	22,393,400	61,500	22,331,900	3,385,600	18,946,300	22,760,300	51,800	22,708,500	3,588,800	19,119,700
Opium	8,816,469	389	8,816,080	2,966,640	5,849,440	8,914,700	600	8,914,100	3,110,200	5,803,900	9,227,600	600	9,227,000	2,650,500	6,576,500
Salt	6,507,236	30,980	6,476,256	449,328	6,026,928	6,309,700	38,100	6,271,600	480,800	5,790,800	6,392,500	33,100	6,359,400	496,600	5,862,800
Stamps	3,606,622	45,105	3,561,517	141,435	3,420,082	3,655,600	47,100	3,608,500	147,200	3,461,300	3,694,400	44,700	3,649,700	153,300	3,496,400
Excise	4,011,867	26,421	3,985,446	103,669	3,881,777	4,119,600	25,800	4,093,800	89,100	4,004,700	4,134,800	23,100	4,111,700	105,800	4,005,900
Provincial Rates	2,791,461	6,197	2,785,264	50,660	2,734,604	2,882,700	6,000	2,876,700	47,100	2,829,600	2,909,100	5,800	2,903,300	46,600	2,856,700
Customs	1,029,943	24,945	1,004,998	136,860	868,138	1,147,600	33,500	1,114,100	131,400	982,700	1,173,200	31,400	1,141,800	133,400	1,008,400
Assessed Taxes	511,828	14,955	496,873	12,936	483,937	515,000	15,600	499,400	12,700	486,700	1,458,100	13,100	1,445,000	58,700	1,386,300
Forest	986,984	2,232	984,752	679,397	305,355	1,052,300	2,400	1,049,900	699,400	350,500	1,153,300	2,300	1,151,000	742,300	408,700
Registration	286,784	1,071	285,713	178,465	107,248	304,300	1,100	303,200	185,500	117,700	309,800	1,100	308,700	191,200	117,500
Tributes from Native States	699,017	...	699,017	...	699,017	693,600	...	693,600	...	693,600	712,000	...	712,000	...	712,000
	51,080,422	200,836	50,879,586	8,082,777	42,796,809	51,988,500	231,700	51,756,800	8,289,000	43,467,800	53,925,100	207,000	53,718,100	8,167,200	45,550,900
Deduct—Assignments and Compensations					1,275,442					1,341,800					1,301,000
Total Net Revenue					41,521,367					42,126,000					44,249,900

Net Expenditure.

	Accounts, 1884-85.			Revised Estimate, 1885-86.			Budget Estimate, 1886-87.		
	Gross Expenditure.	Receipts.	Net Expenditure.	Gross Expenditure.	Receipts.	Net Expenditure.	Gross Expenditure.	Receipts.	Net Expenditure.
	£	£	£	£	£	£	£	£	£
Interest	4,619,443	711,011	3,908,432	4,318,300	690,600	3,627,700	4,250,300	644,200	3,606,100
Post Office, Telegraph & Mint	2,145,249	1,797,846	347,403	2,317,100	1,988,000	329,100	2,227,500	1,914,100	313,400
Civil Departments	11,743,167	1,373,144	10,370,023	12,237,900	1,439,700	10,798,200	12,354,900	1,433,800	10,921,100
Miscellaneous Civil Charges	4,315,929	723,885	3,592,044	4,543,100	1,076,900	3,466,200	4,848,600	763,100	4,085,500
Famine Relief and Insurance	1,548,357	...	1,548,357	1,500,000	...	1,500,000	1,361,300	...	1,361,300
Construction of Railways (charged against Revenue in addition to that under Famine Insurance)	263,501	...	263,501	631,100	...	631,100	109,200	...	109,200
Railways Revenue Account	12,949,306	11,898,131	1,051,175	14,231,800	13,449,400	782,400	15,696,700	13,975,000	1,721,700
Irrigation	2,248,984	1,675,975	573,009	2,306,000	1,528,600	777,400	2,352,900	1,621,600	731,300
Buildings and Roads	5,009,277	615,097	4,394,180	4,702,900	544,500	4,158,400	5,449,300	680,100	4,769,200
Army Services	16,963,863	815,170	16,148,633	19,724,300	891,900	18,832,400	18,266,000	841,700	17,424,300
	61,807,016	19,610,259	42,196,757	66,512,500	21,609,600	44,902,900	66,916,700	21,873,600	45,043,100
Provincial and Local Surpluses and Deficits	Surplus. +73,840	Deficit. —362,784	—288,944	Surplus. +357,300	Dificit. —243,400	+113,900	Surplus. ...	Deficit. —975,400	—975,400
Total Net Expenditure			41,907,813			45,016,800			44,067,700
Surplus (+) or Deficit (—)			—386,446			—2,890,800			+182,200
			41,521,367			42,126,000			44,249,900

Fort William,
Dept. of Finance and Commerce;
The 24th March 1886.

E. W. KELLNER,
Deputy Comptroller General.

E. GAY,
Offg. Comptroller General.

D. BARBOUR,
Secretary to the Government of India.

APPENDIX II.

BUDGET ESTIMATE FOR 1885-86.

CONTENTS.

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General Statement of the Revenue and Expenditure and Receipts and Disbursements of the Government of India, in India and in England.

[£1 is recorded for every 10 rupees, in respect of transactions *in India*, including those of "Exchange."]

Figures nearest to 100.

	Receipts.		Disbursements.
	£		£
Revenue—		**Expenditure—**	
Principal Heads of Revenue—		Direct Demands on the Revenues	9,325,700
Land Revenue	22,334,200	Interest	4,211,400
Opium	9,025,500	Post Office, Telegraph, and Mint	2,313,700
Salt	6,400,000	Salaries and Expenses of Civil Departments	11,897,600
Stamps	3,633,400	Miscellaneous Civil Charges	4,526,000
Excise	4,070,000	Famine Relief and Insurance	1,500,000
Other Heads	6,581,000	Construction of Railways (Charged against Revenue in addition to that under Famine Insurance)	793,800
Total Principal Heads	52,044,100	Railway Revenue Account	13,709,200
Interest	672,000	Irrigation	2,225,600
Post Office, Telegraph, and Mint	1,799,800	Buildings and Roads	5,227,600
Receipts by Civil Departments	1,426,900	Army Services	16,674,600
Miscellaneous	887,900	Exchange on Remittance Accounts	...
Railways	12,550,400	Total Expenditure, Imperial and Provincial	72,405,200
Irrigation	1,540,500	*Add*—Provincial Surpluses: that is, portion of Allotments to Provincial Governments not spent by them in the year	28,900
Buildings and Roads	542,200	*Deduct*—Provincial Deficits: that is, portion of Provincial Expenditure defrayed from Provincial balances	—753,100
Receipts by Military Departments	863,800		
Total Revenue	72,327,600	Total Expenditure charged against Revenue	71,681,000
Debt, Deposits, and Advances—		**Expenditure not charged to Revenue—**	
Permanent Debt (net Incurred)	2,205,000	Capital Expenditure on Public Works not charged against Revenue	4,831,500
Unfunded Debt (net Incurred)	648,400	**Debt, Deposits, and Advances—**	
Deposits and Advances (net)	523,700	Deposits and Advances (net)	...
Loans to Municipalities, Native States &c., (net Recoveries)	308,100	Capital of Railway Companies (net Payments)	903,100
Remittances (net)	170,300	Secretary of State's Bills paid	13,773,700
Secretary of State's Bills drawn	13,773,700	Total Disbursements	91,189,300
Total Receipts	89,956,800		
Balance on 1st April—India	11,920,026	Balance on 31st March—India	10,204,526
England	2,213,121	England	2,696,121
GRAND TOTAL £	104,089,947	GRAND TOTAL £	104,089,947

	£
Revenue	72,327,600
Expenditure chargeable thereon	71,681,000
Surplus (+) or Deficit (—)	+646,600

A.—*Statement of the Revenue of India, in India and in England.*

[£1 is recorded for every 10 rupees, in respect of transactions *in India*, including those of "Exchange."]

Figures nearest to 100.

HEADS OF REVENUE.	India. Imperial.	India. Provincial and Local.	England.	Exchange*.	Total.
Principal Heads of Revenue—	£	£	£	£	£
I.—Land Revenue	13,493,800	8,840,400	...	...	22,334,200
II.—Opium	9,025,500	...	...	...	9,025,500
III.—Salt	6,367,200	32,800	...	...	6,400,000
IV.—Stamps	1,835,100	1,798,300	...	...	3,633,400
V.—Excise	2,060,100	2,009,900	...	...	4,070,000
VI.—Provincial Rates	2,200	2,854,600	...	...	2,856,800
VII.—Customs	996,800	178,200	...	...	1,175,000
VIII.—Assessed Taxes	257,400	257,500	...	...	514,900
IX.—Forest	475,300	584,800	900	200	1,061,200
X.—Registration	141,600	140,200	...	...	281,800
XI.—Tributes from Native States	691,300	...	...	...	691,300
TOTAL	35,346,300	16,696,700	900	200	52,044,100
XII.—Interest	627,700	31,700	10,000	2,600	672,000
Post Office, Telegraph and Mint—					
XIII.—Post Office	1,097,700	4,000	...	...	1,101,700
XIV.—Telegraph	539,700	400	26,100	6,900	573,100
XV.—Mint	125,000	...	...	...	125,000
TOTAL	1,762,400	4,400	26,100	6,900	1,799,800
Receipts by Civil Departments—					
XVI.—Law and Justice	42,800	552,500	...	...	595,300
XVII.—Police	7,800	303,800	...	...	311,600
XVIII.—Marine	60,700	115,700	...	...	176,400
XIX.—Education	1,100	200,700	...	...	201,800
XX.—Medical	100	52,500	2,000	500	55,100
XXI.—Scientific and other Minor Departments	20,300	65,800	500	100	86,700
TOTAL	132,800	12 91,000	2,500	600	1,426,900
Miscellaneous—					
XXII.—Receipts in aid of Superannuation, &c.	232,000	25,700	94,600	24,900	377,200
XXIII.—Stationery and Printing	13,500	40,600	...	...	54,100
XXIV.—Exchange	185,100	...	...	...	185,100
XXV.—Miscellaneous	38,800	228,900	3,000	800	271,500
TOTAL	469,400	295,200	97,600	25,700	887,900
Railways—					
XXVI.—State Railways (gross Earnings)	8,169,600	1,020,500	200	100	9,190,400
XXVII.—Guaranteed Companies (net Traffic Receipts)	3,360,000	...	...	...	3,360,000
XXVIII.—Subsidized Companies (repayment of Advances of Interest)	...	...	...	...	...
TOTAL	11,529,600	1,020,500	200	100	12,550,400
Irrigation—					
XXIX.—Major Works—Direct Receipts	302,600	572,100	...	...	874,700
Portion of Land Revenue due to Irrigation	530,400	...	...	...	530,400
XXX.—Minor Works and Navigation	29,900	105,500	...	...	135,400
TOTAL	862,900	677,600	...	...	1,540,500
Buildings and Roads—					
XXXI.—Military Works	40,800	...	...	...	40,800
XXXII.—Civil Works	7,700	466,900	21,200	5,600	501,400
TOTAL	48,500	466,900	21,200	5,600	542,200
Receipts by Military Departments—					
XXXIII.—Army: Effective	770,100	...	36,900	9,500	815,600
Non-effective	43,900	...	3,400	900	48,200
				...	
TOTAL	814,000	...	39,400	10,400	863,800
TOTAL REVENUES	51,593,600	20,484,000	197,900	52,100	72,327,600

* The columns headed "Exchange" show under the several heads of Revenue and Expenditure which include transactions in England the Exchange thereon calculated in accordance with the average rate obtained for Bills and Telegraphic Transfers sold during the year.

B.—*Statement of the Expenditure chargeable on the Revenues of India, in India and in England.*

[£ 1 is recorded for every 10 rupees, in respect of transactions *in India*, including those of "Exchange."]

Figures nearest to 100.

HEADS OF EXPENDITURE.	India. Imperial.	India. Provincial and Local.	England.	Exchange.†	Total.
Direct Demands on the Revenues—	£	£	£	£	£
1.—Refunds and Drawbacks	145,500	78,900	...	...	224,400
2.—Assignments and Compensations	564,300	684,200	...	...	1,248,500
Charges in respect of Collection, *viz.*:—					
3.—Land Revenue	299,100	3,144,700	500	100	3,444,400
4.—Opium (including cost of Production)	2,473,700	...	4,500	1,200	2,479,400
5.—Salt (including cost of Production)	398,400	93,900	...	...	492,300
6.—Stamps	24,200	60,000	44,700	11,800	141,300
7.—Excise	61,800	61,700	...	...	123,500
8.—Provincial Rates	...	113,500	...	...	113,500
9.—Customs	...	133,200	...	...	133,200
10.—Assessed Taxes	6,500	6,900	...	...	13,400
12.—Forest	316,900	408,400	4,300	1,100	730,700
12.—Registration	90,900	90,200	...	...	181,100
TOTAL	4,381,300	4,876,200	54,000	14,200	9,325,700
Interest—					
13.—Interest on Debt* other than that charged to Railways and Irrigation Works	710,200	...	2,444,100	643,200	3,797,500
14.—Interest on other Obligations	408,000	3,000	2,300	600	413,900
TOTAL	1,118,200	3,000	2,446,400	643,800	4,211,400
Post Office, Telegraph, and Mint—					
15.—Post Office	1,054,300	107,000	127,300	33,500	1,322,100
16.—Telegraph	607,300	600	232,100	61,100	901,100
17.—Mint	77,500	...	10,300	2,700	90,500
TOTAL	1,739,100	107,600	369,700	97,300	2,313,700
Salaries and Expenses of Civil Departments—					
18.—General Administration	601,000	734,700	237,100	62,400	1,635,200
19.—Law and Justice	167,100	3,270,400	2,300	600	3,440,400
20.—Police	85,500	2,770,200	...	...	2,855,700
21.—Marine (including River Navigation)	225,600	140,200	137,400	41,400	564,600
22.—Education	14,900	1,277,000	200	...	1,292,100
23.—Ecclesiastical	169,700	..	300	100	170,100
24.—Medical	16,400	744,000	7,600	2,000	770,000
25.—Political	629,200	600	29,300	7,700	666,800
26.—Scientific and other Minor Departments	269,600	208,300	19,600	5,200	502,700
TOTAL	2,179,000	9,145,400	453,800	119,400	11,897,600
Miscellaneous Civil Charges—					
27.—Territorial and Political Pensions	634,900	...	21,300	5,600	681,800
28.—Civil Furlough and Absentee Allowances	5,200	...	220,900	57,900	283,100
29.—Superannuation Allowances and Pensions	192,700	570,700	1,549,000	407,000	2,720,000
30.—Stationery and Printing	79,900	383,900	135,600	35,500	544,500
32.—Miscellaneous	67,500	196,200	26,000	6,900	296,600
TOTAL	910,400	1,150,800	1,951,300	513,500	4,526,000
Famine Relief and Insurance—					
32.—Famine Relief	...	33,000	...	...	33,000
34.—Construction of Protective Railways	500,000	...	...	...	500,000
35.—Construction of Protective Irrigation Works	287,300	...	...	...	287,300
36.—Reduction of Debt	679,700	...	...	...	679,700
TOTAL	1,467,000	33,000	...	...	1,500,000
Carried over	11,795,000	15,316,000	5,275,200	1,388,200	33,774,400

* The "Interest on Debt" is distributed as follows:—

	India.	England.	Exchange.	Total.
	£	£	£	£
Interest on Debt (other than that charged to Railways and Irrigation Works) as above	710,200	2,444,100	643,200	3,797,500
Under Railway Revenue Account	2,164,900	363,900	95,800	2,624,600
Under Irrigation	924,900	...	...	924,900
TOTAL £	3,800,000	2,808,000	739,000	7,347,000

† See foot-note (*) to Statement of Revenue.

B.—*Statement of the Expenditure chargeable on the Revenues of India, in India and in England*—continued.

[£1 is recorded for every 10 rupees, in respect of transactions *in India*, including those of "Exchange."]

Figures nearest to 100.

HEADS OF EXPENDITURE.	India. Imperial.	India. Provincial and Local.	England.	Exchange.	Total.
	£	£	£	£	£
Brought forward	11,795,000	15,316,000	5,275,200	1,388,200	33,774,400
37.—**Construction of Railway** (Charged against Revenue in addition to that under Famine Insurance)	500,000	293,800	...	...	793,800
Railway Revenue Account—					
38.—State Railways: Working Expenses	3,873,800	655,600	...	...	4,529,400
Interest on Debt	1,795,000	369,900	363,900	95,800	2,624,600
Annuities in purchase of Railways	...	...	1,317,300	346,700	1,664,000
Interest on Capital deposited by Companies	300	...	141,000	37,100	178,400
39.—Guaranteed Companies: Surplus Profits, Land and Supervision	516,000	...	...	...	516,000
Interest	4,400	...	3,205,000	843,400	4,052,800
40.—Subsidized Companies: Land, &c.	27,500	12,300	...	...	39,800
Advances of Interest	...	...	...	...	...
41.—Miscellaneous Railway Expenditure	86,400	17,800	...	...	104,200
TOTAL	6,303,400	1,055,600	5,027,200	1,323,000	13,709,200
Irrigation—					
42.—Major Works: Working Expenses	251,100	342,000	...	...	593,100
Interest on Debt	444,100	480,800	...	...	924,900
43.—Minor Works and Navigation	523,800	182,300	1,200	300	707,600
TOTAL	1,219,000	1,005,100	1,200	300	2,225,600
Buildings and Roads—					
44.—Military Works	1,088,300	...	2,200	600	1,091,100
45.—Civil Works	502,900	3,537,700	75,900	20,000	4,136,500
TOTAL	1,591,200	3,537,700	78,100	20,600	5,227,600
Army Services—					
46.—Army: Effective	11,347,400	...	1,523,900	401,000	13,272,300
Non-Effective	814,100	...	2,049,000	539,200	3,402,300
TOTAL	12,161,500	...	3,572,900	940,200	16,674,600
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL	33,570,100	21,208,200	13,954,600	3,672,300	72,405,200
Add—Portion of Allotments to Provincial Governments not spent by them in the year	...	28,900	...	...	—724,200
Deduct—Portion of Provincial Expenditure defrayed from Provincial balances	...	753,100			
Total Expenditure charged against Revenue	33,570,100	20,484,000	13,954,600	3,672,300	71,681,000

	India.	England.	Exchange.	Total.
	£	£	£	£
Expenditure not charged to Revenue—				
Capital Expenditure on Public Works not charged against Revenue—				
47.—State Railways: Construction	1,972,700	1,410,000	371,100	3,753,800
Redemption of Liabilities	...	203,000	53,400	256,400
48.—Irrigation Works	813,700	6,000	1,600	821,300
TOTAL	2,786,400	1,619,000	42	4,831,500

† See foot-note (*) to Statement of Revenue.

C.—*Statement of Receipts and Disbursements other than Revenue and Expenditure of the Government of India, in India and in England.*

[£ 1 is recorded for every 10 rupees, in respect of transactions *in India*, including those of "Exchange."]

Figures nearest to 100.

	India.	England.	Total.
	£	£	£
Revenue (from Statement A..	72,077,600	197,900	72,275,500
Exchange added to Revenue	52,100	...	52,100
TOTAL .	72,129,700	197,900	72,327,600
Permanent Debt incurred—			
Sterling Debt—			
3½ p. c. India Stock .	...	...	
3 p. c. Stock . .	...	...	
Debenture and Debenture Stock . .	...	...	
Proposed Loan . .	...	2,225,000	
Rupee Debt—			
4 p. c. Rupee Loan .	...	...	
Stock Notes . .	...	...	
Miscellaneous . .	...	...	
TOTAL .	...	2,225,000	2,225,000
NET .			2,205,000
Unfunded Debt—			
Temporary Loans . .	...	...	
Special Loans . .	...	...	
Treasury Notes . .	330,000	...	
Deposits of Service Funds .	610,200	...	
Savings Bank Deposits .	3,402,200	4,800	
TOTAL .	4,342,400	4,800	4,347,200
NET .			648,400
Deposits and Advances—			
Balances of Provincial Allotments	28,900	...	
Commission for the Reduction of Debt . .	679,700	...	
Excluded Local Funds .	569,300	...	
Political, Railway, and Military Prize Funds . .	31,300	...	
Departmental and Judicial Deposits . . .	15,726,900	...	
Advances . . .	9,939,500	2,000	
Suspense Accounts . .	13,000	...	
Exchange Adjusting Account . . .	287,600	...	
Miscellaneous . . .	38,300	250,000	
TOTAL .	27,314,500	252,000	27,566,500
NET .			523,700
Carried over .	103,786,600	2,679,700	106,466,300

	India.	England.	Total.
	£	£	£
Expenditure, Imperial and Provincial (from Statement B.)	54,778,300	13,954,600	68,732,900
Exchange, charged as Expenditure	3,672,300	...	3,672,300
Add—Provincial Surpluses, transferred to "Deposits" . . .	28,900	...	28,900
Deduct—Provincial Deficits, charged against "Deposits" . .	—753,100	...	—753,100
TOTAL .	57,726,400	13,954,600	71,681,000
Expenditure not charged to Revenue—			
Capital Expenditure on Public Works not charged against Revenue . . .	2,786,400	1,619,000	
Add—Exchange on Expenditure not charged to Revenue . . .	426,100	...	4,831,500
Permanent Debt discharged—			
Sterling Debt—			
East India Bonds . .	...	...	
India 5 p. c. Stock . .	...	...	
India 4 p. c. Debentures (besides £990,000 cancelled)*	...	...	
India 4 p. c. Stock (besides £37,827 cancelled)* .	...	...	
East Indian Railway Debentures	...	...	
East Indian Railway Debenture Stock . . .	...	...	
Eastern Bengal Railway Debentures . . .	...	...	
Rupee Debt—			
5½ p. c. Loans . . .			
5 p. c. Loans . . .	20,000	...	
4 p. c. Loans (besides £9,065 cancelled)* . . .			
5 p. c. Debentures (besides £300 cancelled)* .	...	...	
4½ p. c. Loans . . .	...	...	
Stock Notes . . .	...	...	
Miscellaneous . . .	...	...	...
TOTAL .	20,000	...	20,000
NET .			0
Unfunded Debt—			
Temporary Loans . .	...	...	
Special Loans . . .	...	...	
Treasury Notes . .	147,500	...	
Deposits of Service Funds .	612,200	1,000	
Savings Bank Deposits .	2,938,100	...	
TOTAL .	3,697,800	1,000	3,698,800
NET .			0
Deposits and Advances—			
Balances of Provincial Allotments . . .	753,100	...	
Commission for the Reduction of Debt . .	2,000	...	
Excluded Local Funds .	535,300	...	
Political, Railway, and Military Prize Funds . .	34,900	...	
Departmental and Judicial Deposits . . .	15,683,900	...	
Advances . . .	9,963,500	2,000	
Suspense Accounts . .	30,100	...	
Miscellaneous . . .	38,000	...	
TOTAL .	27,040,800	2,000	27,042,800
NET .			0
Carried over .	91,697,500	15,576,600	107,274,100

* Necessary explanatory notes should be appended.

C.—*Statement of Receipts and Disbursements other than Revenue and Expenditure of the Government of India, in India and in England*—continued.

[£ 1 is recorded for every 10 rupees, in respect of transactions *in India*, including those of "Exchange."]

Figures nearest to 100.

	India.	England.	Total.		India.	England.	Total.
	£	£	£		£	£	£
Brought forward	103,786,600	2,679,700	106,466,300	Brought forward	91,697,500	15,576,600	107,274,100
Loans to Municipalities, Native States, &c.	376,900	...	376,900	**Loans to Municipalities, Native States, &c**	68,800	...	68,800
NET			308,100	NET			0
Capital Receipts from Railway Companies—				**Payments to Railway Companies on Capital Account†—**			
On account of Subscribed Capital	1,615,200	3,464,800		For discharge of Debenture	2,510,500	3,472,600	
Repayments				For Expenditure			
TOTAL	1,615,200	3,464,800	5,080,000	TOTAL	2,510,500	3,472,600	5,983,100
NET			0	NET			903,100
Remittances—				**Remittances—**			
Inland Money Orders	9,000,000	...		Inland Money Orders	9,000,000	...	
Other Local Remittances (net)	14,000	...		Other Local Remittances (net)	...	...	
Other Departmental Accounts	1,004,400	...		Other Departmental Accounts	1,003,500	...	
Net Receipts by Civil Treasuries from—				Net Payments into Civil Treasuries by—			
Post Office	462,600	...		Post Office	462,600	...	
Guaranteed Railways	3,987,300	...		Guaranteed Railways	3,987,300	...	
Net Receipts from Civil Treasuries by—				Net Issues from Civil Treasuries to—			
Telegraph	120,000	...		Telegraph	120,000	...	
Marine	211,600	...		Marine	211,600	...	
Military	11,629,600	...		Military	11,629,600	...	
Public Works	5,238,300	...		Public Works	5,238,300	...	
Remittance Account between England and India	1,400,500	1,088,709		Remittance Account between England and India	859,100	1,474,700	
TOTAL	33,068,300	1,088,700	34,157,000	TOTAL	32,512,000	1,474,700	33,986,700
NET			170,300	NET			0
Secretary of State's Bills drawn	...	13,773,700	13,773,700	**Secretary of State's Bills paid**	13,773,700	...	13,773,700
TOTAL RECEIPTS	138,847,000	21,006,900	159,853,900	TOTAL DISBURSEMENTS	140,562,500	20,523,900	161,086,400
Opening Balance	11,920,026	2,213,121	14,133,147	Closing Balance	10,204,526	2,696,121	12,900,647
GRAND TOTAL £	150,767,026	23,220,021	173,987,047	GRAND TOTAL £	150,767,026	23,220,021	173,987,047

† This does not include advances to the East Indian Railway Company or advances to the Bombay, Baroda, and Central India Railway Company on account of the Rajputana-Malwa Railway, which are treated as Remittances

E. W. KELLNER,
Deputy Comptroller General.

E. GAY,
Offg. Comptroller General.

D. BARBOUR,
Secretary to the Government of India.

FORT WILLIAM,
DEPT. OF FINANCE AND COMMERCE;
The 24th March 1886.

APPENDIX III.

ACCOUNTS OF THE GOVERNMENT OF INDIA, 1875-76 to 1884-85.

CONTENTS.

	Pages.
General Comparative Statement of Revenue and Expenditure and Receipts and Disbursements of the Government of India, in India and in England, 1875-76 to 1884-85	66—69
Account of the Revenue of India, in India and in England, 1875-76 to 1884-85	70—75
Account of the Expenditure chargeable on the Revenues of India, in India and in England, 1875-76 to 1884-85	76—87

N. B.—These accounts differ from the corresponding figures published in 1884, owing to the distribution of exchange over the receipts and payments in England, the re-arrangement of Public Works revenue and expenditure and small changes of classification in some other heads.

General Comparative Statement of Revenue and Expenditure India and in England,

REVENUE

[£1 is recorded for every 10 rupees, in respect of

	1875-76.	1876-77.	1877-78.
Revenue—			
Principal Heads of Revenue—	£	£	£
Land Revenue	21,540,480	19,891,491	19,891,145
Opium	8,471,425	9,122,460	9,182,722
Salt	6,245,555	6,305,869	6,461,225
Stamps	2,835,368	2,838,628	2,993,483
Excise	2,494,339	2,523,986	2,458,029
Other Heads	6,297,705	5,939,963	6,571,794
TOTAL, PRINCIPAL HEADS	47,884,872	46,622,397	47,558,398
Interest	582,206	547,176	537,887
Post Office, Telegraph, and Mint	1,187,163	1,400,065	1,639,267
Receipts by Civil Departments	1,288,543	1,301,474	1,406,187
Miscellaneous	1,291,620	1,199,093	1,134,291
Railways	4,574,507	5,494,802	7,243,730
Irrigation	575,038	599,301	816,822
Buildings and Roads	523,833	554,884	756,664
Receipts by Military Departments	1,057,377	932,715	879,235
TOTAL REVENUE	58,965,159	58,651,907	61,972,481
Debt, Deposits, and Advances—			
Permanent Debt (net Incurred)	4,123,022	4,750,145	7,311,394
Unfunded Debt (net Incurred)	297,493	282,996	226,284
Deposits and Advances (net)	...	...	1,410,892
Loans to Municipalities, Native States, &c. (net Recoveries)	...	...	...
Capital of Railway Companies (net Receipts)	...	...	125,747
Remittances (net)	944,755	506,130	160,637
Secretary of State's Bills drawn	12,389,613	12,695,799	10,134,455
TOTAL RECEIPTS	76,720,042	76,886,977	81,341,890
Balance on 1st April—India	15,177,814	16,952,494	12,750,698
England	2,796,370	919,899	2,713,967
GRAND TOTAL £	94,694,226	94,759,370	96,806,555

and Receipts and Disbursements of the Government of India, in 1875-76 to 1884-85.

AND RECEIPTS.

transactions *in India*, including those of "Exchange."]

1878-79.	1879-80.	1880-81.	1881-82.	1882-83.	1883-84.	1884-85.
£	£	£	£	£	£	£
22,323,868	21,861,150	21,112,995	21,948,022	21,876,047	22,361,899	21,832,211
9,399,401	10,319,162	10,480,051	9,862,444	9,499,594	9,556,501	8,816,469
6,941,120	7,266,413	7,115,988	7,375,620	6,177,781	6,145,413	6,507,236
3,110,540	3,193,739	3,250,581	3,381,372	3,379,681	3,513,201	3,606,622
2,619,349	2,838,021	3,135,226	3,427,274	3,609,561	3,836,961	4,011,867
7,442,087	7,596,462	7,607,786	7,660,190	6,411,574	6,624,426	6,306,017
51,836,365	53,074,947	52,702,627	53,654,922	50,954,238	52,038,401	51,080,422
631,646	754,764	915,709	908,554	699,401	856,255	711,011
1,515,747	1,740,797	1,651,611	1,489,939	1,688,540	1,677,337	1,797,846
1,391,252	1,448,310	1,471,838	1,523,086	1,438,411	1,428,518	1,373,144
1,085,988	941,586	1,150,598	835,379	714,413	748,211	723,885
6,255,612	7,349,004	9,435,336	10,885,483	10,973,030	11,960,157	11,898,131
917,826	1,519,501	1,626,820	1,479,459	1,533,828	1,612,579	1,675,975
574,642	506,153	550,111	597,083	552,366	552,113	615,097
984,942	1,098,095	4,785,462	4,311,082	1,724,110	968,219	815,170
65,194,020	**68,433,157**	**74,290,112**	**75,684,987**	**70,278,337**	**71,841,790**	**70,690,681**
3,236,490	13,860,022	5,679,570	...	3,086,791	3,062,953	1,193,924
1,182,743	1,598,793	...	335,853	650,744	352,480	958,409
...	331,865	4,246,268	...	763,922	...	1,451,478
...	178,554	...	195,183	299,042	171,960	24,051
...	465,191	...	...	1,596,619	...	...
...	961,870	696,467	860,373	186,211	10,120	...
13,948,565	15,261,810	15,239,677	18,412,429	(c)14,119,128	17,599,805	13,758,909
83,561,818	101,091,262	100,152,094	95,488,825	90,980,794	93,039,108	88,077,452
14,498,302	12,792,153	13,029,894	13,371,101	14,522,913	14,821,550	13,199,926
1,076,657	1,117,925	2,270,107	4,127,749	2,620,909	3,429,874	4,113,221
99,136,777	115,001,340	115,452,095	112,987,675	108,124,616	111,290,532	105,390,599

(c) Exclusive of 1,001,393*l* drawn on account of the Commission for the Reduction of Debt.

General Comparative Statement of Revenue and Expenditure and and in England,

EXPENDITURE

[£1 is recorded for every 10 rupees, in respect of

	1875-76.	1876-77.	1877-78.
Expenditure—	£	£	£
Direct Demands on the Revenues	7,879,441	8,407,356	8,321,008
Interest	4,828,940	5,054,845	5,158,310
Post Office, Telegraph, and Mint	1,523,705	1,560,428	1,594,705
Salaries and Expenses of Civil Departments	10,325,679	10,612,263	10,462,302
Miscellaneous Civil Charges	4,379,910	4,255,297	4,177,894
Famine Relief and Insurance	602,030	2,145,517	5,347,634
Construction of Railways (Charged against Revenue, in addition to that under Famine Insurance)	29,680	38,260	50,896
Railway Revenue Account	6,133,267	6,641,009	7,393,880
Irrigation	1,722,106	1,621,170	1,808,496
Buildings and Roads	4,683,930	4,561,185	4,251,110
Army Services	15,701,897	16,463,813	17,300,484
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL	57,810,585	61,361,143	65,866,719
Add—Provincial Surpluses: that is, portion of Allotments to Provincial Governments not spent by them in the year	10,065	238,962	393,458
Deduct—Provincial Deficits: that is, portion of Provincial Expenditure defrayed from Provincial balances	—444,746	—364,022	—25,656
TOTAL EXPENDITURE CHARGED AGAINST REVENUE	57,375,904	61,236,083	66,234,521
Expenditure not charged to Revenue—			
Capital Expenditure on Public Works not charged against Revenue	4,351,685	3,912,042	4,964,301
Debt, Deposits, and Advances—			
Permanent Debt (net Discharged)	...	...	...
Unfunded Debt (net Discharged)	...	...	...
Deposits and Advances (net)	582,426	323,053	...
Loans to Municipalities, Native States, &c., (net Advanced)	387,487	473,174	1,082,017
Capital of Railway Companies (net Payments)	1,043,184	970,376	...
Remittances (net)	...	...	...
Secretary of State's Bills paid	13,081,147	12,379,977	8,950,757
TOTAL DISBURSEMENTS	76,821,833	79,294,705	81,231,596
Balance on 31st March—India	16,952,494	12,750,698	14,498,302
England	919,899	2,713,967	1,076,657
GRAND TOTAL £	94,694,226	94,759,370	96,806,555
Revenue	58,965,159	58,651,907	61,972,481
Expenditure chargeable thereon	57,375,904	61,236,083	66,234,521
Surplus (+) or Deficit (—) under the new System	+1,589,255	—2,584,176	—4,262,040
Difference arising from stating Exchange according to old System (See para. 4 of Financial Statement)	+79,690	+401,398	+718,953
Surplus (+) or Deficit (—) under the old System	+1,668,945	—2,182,778	—3,543,087

Receipts and Disbursements of the Government of India, in India 1875-76 to 1884-85—continued.

AND DISBURSEMENTS.

transactions in ***India***, including those of "Exchange."]

1878-79.	1879-80.	1880-81.	1881-82.	1882-83.	1883-84.	1884-85.
£	£	£	£	£	£	£
7,477,863	7,867,085	8,053,405	8,228,316	8,488,957	8,491,594	9,559,055
5,401,001	5,390,069	4,633,536	4,859,395	4,770,346	4,524,763	4,619,443
1,702,312	1,748,102	1,804,364	1,804,523	1,929,207	2,038,056	2,145,249
10,466,415	10,467,674	10,678,589	11,138,381	11,047,913	11,362,323	11,743,167
4,469,196	4,371,356	4,291,204	4,502,782	4,373,349	4,304,431	4,315,929
313,547	104,059	34,840	1,567,886	1,495,972	1,522,813	1,548,357
171,782	1,842,733	2,473,654	512,655	480,923	—176,295	263,501
8,331,307	8,919,482	10,479,386	11,171,067	12,278,890	12,265,069	12,949,306
1,730,641	1,831,051	1,910,385	2,048,356	2,249,855	2,159,779	2,248,984
4,341,669	3,925,425	4,331,685	5,047,873	5,331,281	5,810,767	5,009,277
17,938,784	22,580,715	28,932,497	19,688,510	18,359,433	18,123,692	16,963,803
62,344,517	69,047,751	77,623,545	70,569,744	70,806,126	70,426,992	71,366,071
716,378	633,077	336,686	1,521,019	112,171	123,501	73,840
—973	—19,778	—38,725	—1,227	—1,314,797	—588,180	—362,784
63,059,922	**69,661,050**	**77,921,506**	**72,089,536**	**69,603,500**	**69,962,313**	**71,077,127**
4,521,001	**15,126,195**	**3,740,704**	**3,491,773**	**5,251,642**	**4,269,762**	**5,860,831**
...	...	...	292,842	...	...	...
...	...	808,694	...	...	...	...
682,754	...	...	1,147,396	...	904,481	...
1,030,712	...	174,526	...	...	...	...
154,531	...	165,600	485,309	...	843,589	391,958
1,270,039	...	...	...	...	...	349 441
14,507,740	14,914,094	15,142,215	18,336,997	(*b*) 15,018,050	(*c*) 17,997,240	12,921,332
85,226,699	99,701,339	97,953,245	95,843,853	89,873,192	93,977,385	90,600,689
12,792,153	13,029,894	13,371,101	14,522,913	14,821,550	13,199,926	12,540,532
1,117,925	2,270,107	4,127,749	2,620,909	3,429,874	4,113,221	2,249,378
99,136,777	115,001,340	115,452,095	112,987,675	108,124,616	111,290,532	105,390,599
65,194,020	68,433,157	74,290,112	75,684,987	70,278,337	71,841,790	70,690,681
63,059,922	69,661,050	77,921,506	72,089,536	69,603,500	69,962,313	71,077,127
+2,134,098	—1,227,893	—3,631,394	+3,595,451	+674,837	+1,879,477	—386,446
—99,852	+44,944	—412,961	—1,012,724	+31,796	—491,981	+236,711
+2,034,246	—1,182,949	—4,044,355	+2,582,727	+706,633	+1,387,496	—149,735

(*b*) Exclusive of Bills drawn on account of the Commission for the Reduction of Debt.
(*c*) Exclusive of Bills drawn last year on account of the Commission for the Reduction of Debt.

ACCOUNT of the REVENUE of INDIA, in India

[£1 is recorded for every 10 rupees, in respect of

HEADS OF REVENUE.	1875-76. India.	1875-76. England.	1875-76. Exchange.*	1875-76. TOTAL.	1876- India.	1876- England.
Principal Heads of Revenue—	£	£	£	£	£	£
Land Revenue	21,540,480	...	...	21,540,480	19,891,491	...
Opium	8,471,425	...	...	8,471,425	9,122,460	...
Salt	6,245,555	...	...	6,245,555	6,305,869	...
Stamps	2,835,368	...	...	2,835,368	2,838,628	...
Excise	2,494,339	...	...	2,494,339	2,523,986	...
Provincial Rates	1,947,255	...	...	1,947,255	1,930,325	...
Customs	2,724,426	...	...	2,724,426	2,484,448	...
Assessed Taxes	14,642	...	...	14,642	14,535	...
Forest	697,543	...	...	697,543	616,468	...
Registration	187,651	...	...	187,651	199,253	...
Tributes from Native States	726,188	...	...	726,188	694,934	...
TOTAL	47,884,872	...	...	47,884,872	46,622,397	...
Interest	541,950	36,273	3,983	582,206	516,408	26,291
Post Office, Telegraph, and Mint—						
Post Office	765,751	...	...	765,751	797,465	...
Telegraph	291,918	17,122	1,880	310,920	326,461	14,766
Mint	110,459	30	3	110,492	258,828	26
TOTAL	1,168,128	17,152	1,883	1,187,163	1,382,754	14,792
Receipts by Civil Departments—						
Law and Justice	593,295	510	56	593,861	609,033	...
Police	234,736	...	...	234,736	216,856	...
Marine	229,732	...	...	229,732	233,166	13
Education	147,140	...	...	147,140	150,056	...
Medical	32,672	2,022	222	34,916	35,132	1,545
Scientific and other Minor Departments	42,131	5,431	596	48,158	38,376	14,554
TOTAL	1,279,706	7,963	874	1,288,543	1,282,619	16,112
Miscellaneous—						
Receipts in aid of Superannuation, &c.	659,672	93,699	10,288	763,659	516,554	94,651
Stationery and Printing	59,135	...	...	59,135	50,024	...
Exchange (*a*)	...	...	...	...	...	...
Miscellaneous	456,762	10,870	1,194	468,826	491,095	26,193
TOTAL	1,175,569	104,569	11,482	1,291,620	1,057,673	120,844
Railways—						
State Railways (gross Earnings) (*b*)	292,835	...	...	292,835	380,668	...
Guaranteed Companies (net Traffic Receipts) (*c*)	4,280,684	890	98	4,281,672	5,114,134	...
Subsidized Companies (repayment of Advances of Interest)	...	...	...	...	...	...
TOTAL	4,573,519	890	98	4,574,507	5,494,802	...
Irrigation—						
Major Works: Direct Receipts	429,679	...	...	429,679	424,850	351
Portion of Land Revenue due to Irrigation	...	...	...	...	...	...
Madras Irrigation Company (net Traffic Receipts)	—17,765	...	...	—17,765	—3,229	...
Minor Works and Navigation	162,828	267	29	163,124	177,269	...
TOTAL	574,742	267	29	575,038	598,890	351
Buildings and Roads—						
Military Works	16,478	...	...	16,478	39,251	...
Civil Works	487,877	17,551	1,927	507,355	495,512	17,194
TOTAL	504,355	17,551	1,927	523,833	534,763	17,194
Receipts by Military Departments—						
Army: Effective	922,860	105,844	11,622	1,040,326	858,262	30,912
Non-Effective	15,604	1,304	143	17,051	24,678	11,621
Military Operations in Afghanistan	...	...	...	...	...	...
Egypt	...	...	...	...	...	...
TOTAL	938,464	107,148	11,765	1,057,377	882,940	42,533
TOTAL REVENUES	58,641,305	291,813	32,041	58,965,159	58,373,246	238,117

* The columns headed "Exchange" show under the several heads of Revenue and Expenditure which include transactions in England

(*a*) See para. 6 of Financial Statement.

(*b*) Includes transactions on account of the East

(*c*) Ditto ditto of

and in England, 1875-76 to 1884-85.

transactions *in India*, including those of "Exchange."]

77.		1877-78.				HEADS OF REVENUE.
Exchange.*	TOTAL.	India.	England.	Exchange.*	TOTAL.	
£	£	£	£	£	£	**Principal Heads of Revenue—**
...	19,891,491	19,891,145	...	...	19,891,145	Land Revenue.
...	9,122,460	9,182,722	...	...	9,182,722	Opium.
...	6,305,869	6,461,225	...	...	6,461,225	Salt.
...	2,838,628	2,993,483	...	...	2,993,483	Stamps.
...	2,523,986	2,458,029	...	...	2,458,029	Excise.
...	1,930,325	2,255,937	...	...	2,255,937	Provincial Rates.
...	2,484,448	2,624,123	...	...	2,624,123	Customs.
...	14,535	101,682	...	...	101,682	Assessed Taxes.
...	616,468	665,265	13,434	2,073	680,772	Forest.
...	199,253	234,160	...	...	234,160	Registration.
...	694,934	675,120	...	...	675,120	Tributes from Native States.
...	46,622,397	47,542,891	13,434	2,073	47,558,398	TOTAL.
4,477	547,176	510,626	23,617	3,644	537,887	**Interest.**
...	797,465	850,431	...	...	850,431	**Post Office, Telegraph, and Mint—**
2,515	343,742	352,281	—6,333	—977	344,971	Post Office.
4	258,858	443,822	37	6	443,865	Telegraph.
						Mint.
2,519	1,400,065	1,646,534	—6,296	—971	1,639,267	TOTAL.
...	609,033	618388	....	...	618,388	**Receipts by Civil Departments—**
...	216,856	255,254	...	...	255,254	Law and Justice.
2	233,181	231,538	....	...	231,538	Police.
						Marine.
...	150,056	152,990	...	...	152,990	Education.
263	36,940	35,959	2,023	312	38,294	Medical.
2,478	55,408	50,413	51,380	7,930	109,723	Scientific and other Minor Departments.
2,743	1,301,474	1,344,542	53,403	8,242	1,406,187	TOTAL.
16,116	627,321	499,500	102,111	15,759	617,370	**Miscellaneous—**
...	50,024	35,381	...	...	35,381	Receipts in aid of Superannuation, &c.
...	...	...	...	...	...	Stationery and Printing.
4,460	521,748	463,872	15,306	2,362	481,540	Exchange (*a*).
						Miscellaneous.
20,576	1,199,093	998,753	117,417	18,121	1,134,291	TOTAL.
...	380,668	582,077	...	...	582,077	**Railways—**
...	5,114,134	6,661,653	...	...	6,661,653	State Railways (gross Earnings) (*b*).
...	...	...	...	...	...	Guaranteed Companies (net Traffic Receipts) (*c*).
						Subsidized Companies (repayment of Advances of Interest).
...	5,494,802	7,243,730	...	...	7,243,730	TOTAL.
60	425,261	502,216	765	118	503,099	**Irrigation—**
...	...	156,369	...	...	156,369	Major Works: Direct Receipts.
...	—3,229	—8,750	...	...	—8,750	Portion of Land Revenue due to Irrigation.
...	177,269	166,104	...	...	166,104	*Madras Irrigation Company (net Traffic Receipts).*
						Minor Works and Navigation.
60	599,301	815,939	765	118	816,822	TOTAL.
...	39,251	39,237	...	...	39,237	**Buildings and Roads—**
2,927	515,633	697,705	17,085	2,637	717,427	Military Works.
						Civil Works.
2,927	554,884	736,942	17,085	2,637	756,664	TOTAL.
5,263	894,437	791,812	58,588	9,042	859,442	**Receipts by Military Departments—**
1,979	38,278	18,204	1,377	212	19,793	Army: Effective.
...	...	...		...	...	Non-Effective.
...	...	...		...	...	Military Operations in Afghanistan.
						Egypt.
7,242	932,715	810,016	59,965	9,254	879,235	TOTAL.
40,544	58,651,907	61,649,973	279,390	43,118	61,972,481	TOTAL REVENUES.

the Exchange thereon Calculated in accordance with the average rate obtained for Bills and Telegraphic transfers sold during the year.

Indian Railway from 1st January 1880.
ditto up to 31st December 1879.

Account of the Revenue of India, in India

[£1 is recorded for every 10 rupees, in respect of

HEADS OF REVENUE.	1878-79. India.	1878-79. England.	1878-79. Exchange.*	1878-79. Total.	1879- India.	1879- England.
Principal Heads of Revenue—	£	£	£	£	£	£
Land Revenue	22,323,868	...	...	22,323,868	21,861,150	...
Opium	9,399,401	...	...	9,399,401	10,319,162	...
Salt	6,941,120	...	...	6,941,120	7,266,413	...
Stamps	3,110,540	...	...	3,110,540	3,193,739	...
Excise	2,619,349	...	...	2,619,349	2,838,021	...
Provincial Rates	2,638,835	...	...	2,638,835	2,882,125	...
Customs	2,326,561	...	...	2,326,561	2,280,793	...
Assessed Taxes	900,920	...	...	900,920	785,318	...
Forest	603,939	1,494	317	605,750	674,743	1,491
Registration	266,361	...	...	266,361	269,239	...
Tributes from Native States	703,660	...	...	703,660	702,451	...
TOTAL	51,834,554	1,494	317	51,836,365	53,073,154	1,491
Interest	612,934	15,433	3,279	631,646	714,869	33,181
Post Office, Telegraph, and Mint—						
Post Office	911,806	...	...	911,806	1,004,372	...
Telegraph	403,627	23,067	4,901	431,595	478,376	22,849
Mint	172,283	52	11	172,346	230,531	38
TOTAL	1,487,716	23,119	4,912	1,515,747	1,713,279	22,887
Receipts by Civil Departments—						
Law and Justice	647,131	...	...	647,131	658,902	...
Police	211,108	...	...	211,108	227,657	...
Marine	250,595	...	...	250,595	255,170	3,017
Education	147,425	...	...	147,425	139,414	...
Medical	42,419	1,913	407	44,739	53,073	3,256
Scientific and other Minor Departments	60,142	24,835	5,277	90,254	63,355	35,927
TOTAL	1,358,820	26,748	5,684	1,391,252	1,397,571	42,200
Miscellaneous—						
Receipts in aid of Superannuation, &c.	571,871	95,614	20,316	687,801	424,198	100,943
Stationery and Printing	47,096	...	...	47,096	55,103	916
Exchange (*a*)	...	...	...	...	...	...
Miscellaneous	334,692	13,525	2,874	351,091	325,285	12,085
TOTAL	953,659	109,139	23,190	1,085,988	804,586	113,944
Railways—						
State Railways (gross Earnings) (*b*)	976,828	...	...	976,828	2,726,420	...
Guaranteed Companies (net Traffic Receipts) (*c*)	5,278,784	...	...	5,278,784	4,622,584	...
Subsidized Companies (repayment of Advances of Interest)	...	...	...	...	...	...
TOTAL	6,255,612	...	...	6,255,612	7,349,004	...
Irrigation—						
Major Works: Direct Receipts	612,718	552	117	613,387	707,074	967
Portion of Land Revenue due to Irrigation	126,934	...	...	126,934	602,398	...
Madras Irrigation Company (net Traffic Receipts).	8,886	...	...	8,886	15,799	...
Minor Works and Navigation	168,619	...	...	168,619	193,067	...
TOTAL	917,157	552	117	917,826	1,518,338	967
Buildings and Roads—						
Military Works	39,554	...	...	39,554	38,255	...
Civil Works	514,741	16,781	3,566	535,088	449,553	15,258
TOTAL	554,295	16,781	3,566	574,642	487,808	15,258
Receipts by Military Departments—						
Army: Effective	905,662	46,110	9,798	961,570	915,968	74,348
Non-Effective	21,139	1,709	363	23,211	23,997	15,170
Military Operations in Afghanistan	161	...	...	161	50,499	...
Egypt	...	...	...	...	...	...
TOTAL	926,962	47,819	10,161	984,942	990,464	89,518
TOTAL REVENUES	64,901,709	241,085	51,226	65,194,020	68,049,073	319,446

* *Vide* foot note (*) on page 510.

(*a*) *Vide* foot-note (*a*) on page 510.

and in England, 1875-76 to 1884-85—continued.

transactions *in India*, including those of "Exchange."]

80.		1880-81.				HEADS OF REVENUE.
Exchange.*	TOTAL.	India.	England.	Exchange.*	TOTAL.	
£	£	£	£	£	£	**Principal Heads of Revenue—**
...	21,861,150	21,112,995	...	...	21,112,995	Land Revenue.
...	10,319,162	10,480,051	...	...	10,480,051	Opium.
...	7,266,413	7,115,988	...	...	7,115,988	Salt.
...	3,193,739	3,250,581	...	...	3,250,581	Stamps.
...	2,838,021	3,135,226	...	...	3,135,226	Excise.
...	2,882,125	2,776,370	...	...	2,776,370	Provincial Rates.
...	2,280,793	2,539,612	...	...	2,539,612	Customs.
...	785,318	558,720	...	...	558,720	Assessed Taxes.
302	676,536	707,718	1,602	325	709,645	Forest.
...	269,239	281,230	...	...	281,230	Registration.
...	702,451	742,209	...	...	742,209	Tributes from Native States.
302	53,074,947	52,700,700	1,602	325	52,702,627	TOTAL.
6,714	754,764	678,129	197,550	40,030	915,709	Interest.
						Post Office, Telegraph, and Mint—
...	1,094,372	1,018,653	...	...	1,018,653	Post Office.
4,623	505,848	508,743	28,805	5,837	543,385	Telegraph.
8	230,577	89,525	40	8	89,573	Mint.
4,631	1,740,797	1,616,921	28,845	5,845	1,651,611	TOTAL.
						Receipts by Civil Departments—
...	658,902	687,764	...	...	687,764	Law and Justice.
...	227,657	241,769	...	...	241,769	Police.
610	258,797	246,519	...	...	246,519	Marine.
...	139,414	170,238	...	...	170,238	Education.
659	56,988	41,258	2,110	428	43,796	Medical.
7,270	106,552	62,401	16,091	3,260	81,752	Scientific and other Minor Departments.
8,539	1,448,310	1,449,949	18,201	3,688	1,471,838	TOTAL.
						Miscellaneous—
20,426	545,567	212,546	103,453	20,963	336,962	Receipts in aid of Superannuation, &c
185	56,204	62,396	66	13	62,475	Stationery and Printing.
...	...	...	...	...	...	Exchange (*a*).
2,445	339,815	636,362	95,457	19,342	751,161	Miscellaneous.
23,056	941,586	911,304	198,976	40,318	1,150,598	TOTAL.
						Railways—
...	2,726,420	6,521,746	230	47	6,522,023	State Railways (gross Earnings) (*b*).
...	4,622,584	2,913,313	...	...	2,913,313	Guaranteed Companies (net Traffic Receipts) (*c*).
...	...	...	...	...	...	Subsidized Companies (repayment of Advances of Interest).
...	7,349,004	9,435,059	230	47	9,435,336	TOTAL.
						Irrigation—
196	708,237	638,656	488	99	639,243	Major Works: Direct Receipts.
...	602,398	797,319	...	...	797,319	Portion of Land Revenue due to Irrigation.
...	15,799	—7,650	...	...	—7,650	*Madras Irrigation Company (net Traffic Receipts).*
...	193,067	197,908	...	...	197,908	Minor Works and Navigation.
196	1,519,501	1,626,233	488	99	1,626,820	TOTAL.
						Buildings and Roads—
...	38,255	36,727	...	...	36,727	Military Works.
3,087	467,898	496,775	13,811	2,798	513,384	Civil Works.
3,087	506,153	533,502	13,811	2,798	550,111	TOTAL.
						Receipts by Military Departments—
15,044	1,005,360	812,823	81,573	16,529	910,925	Army: Effective.
3,069	42,236	24,252	5,479	1,110	30,841	Non-Effective.
...	50,499	602,607	2,695,000	546,089	3,843,696	Military Operations in Afghanistan.
...	...	...	...	...	...	„ „ Egypt.
18,113	1,098,095	1,439,682	2,782,052	563,728	4,785,462	TOTAL.
64,638	68,433,157	70,391,479	3,241,755	656,878	74,290,112	TOTAL REVENUES.

(*b*) *Vide* foot-note (*b*) on page 510. (*c*) *Vide* foot-note (*c*) on page 510.

Account of the Revenue of India, in India

[£1 is recorded for every 10 rupees, in respect of

HEADS OF REVENUE.	1881-82. India.	1881-82. England.	1881-82. Exchange.*	1881-82. Total.	1882-83. India.	1882-83. England.	1882-83. Exchange.*	1882-83. Total.
	£	£	£	£	£	£	£	£
Principal Heads of Revenue—								
Land Revenue	21,948,022	...	...	21,948,022	21,876,047	...	...	21,876,047
Opium	9,862,444	...	...	9,862,444	9,499,594	...	...	9,499,594
Salt	7,375,620	...	...	7,375,620	6,177,781	...	...	6,177,781
Stamps	3,381,372	...	...	3,381,372	3,379,681	...	...	3,379,681
Excise	3,427,274	...	...	3,427,274	3,609,561	...	...	3,609,561
Provincial Rates	2,895,490	...	...	2,895,490	2,683,015	...	...	2,683,015
Customs	2,361,388	...	...	2,361,388	1,296,119	...	...	1,296,119
Assessed Taxes	536,829	...	...	536,829	517,811	...	...	517,811
Forest	872,199	2,236	461	874,896	935,494	2,734	627	938,855
Registration	284,714	...	...	284,714	285,829	...	...	285,829
Tributes from Native States	706,873	...	...	706,873	689,945	...	...	689,945
TOTAL	53,652,225	2,236	461	53,654,922	50,950,877	2,734	627	50,954,238
Interest	840,434	56,470	11,650	908,554	669,727	24,137	5,537	699,401
Post Office, Telegraph, and Mint—								
Post Office	949,907	...	...	949,907	977,797	...	...	977,797
Telegraph	417,421	43,124	8,897	469,442	469,941	44,670	10 247	524,858
Mint	70,556	28	6	70,590	185,868	14	3	185,885
TOTAL	1,437,884	43,152	8,903	1,489,939	1,633,606	44,684	10,250	1,688,540
Receipts by Civil Departments—								
Law and Justice	677,454	...	...	677,454	656,934	...	...	656,934
Police	248,005	...	...	248,005	227,642	...	...	227,642
Marine	237,863	13	2	237,878	222,411	11	2	222,424
Education	189,292	...	...	189,292	198,558	...	...	198,558
Medical	35,509	3,998	825	40,332	53,841	2,169	498	56,508
Scientific and other Minor Departments	76,469	44,480	9,176	130,125	72,783	2,897	665	76,345
TOTAL	1,464,592	48,491	10,003	1,523,086	1,432,169	5,077	1,165	1,438,411
Miscellaneous—								
Receipts in aid of Superannuation, &c.	250,300	105,973	21,863	378,136	201,265	103,995	23,856	329,116
Stationery and Printing	57,799	12	2	57,813	57,845	13	3	57,861
Exchange (a)	...	...	...	...	...	...	...	...
Miscellaneous	380,767	15,471	3,192	399,430	295,799	25,734	5,903	327,436
TOTAL	688,866	121,456	25,057	835,379	554,909	129,742	29,762	714,413
Railways—								
State Railways (gross Earnings) (*b*)	7,266,818	230	48	7,267,096	7,386,177	230	53	7,386,460
Guaranteed Companies (net Traffic Receipts) (*c*)	3,615,625	...	...	3,615,625	3,582,046	...	...	3,582,046
Subsidized Companies (repayment of Advances of Interest)	...	2,290	472	2,762	...	3,680	844	4,524
TOTAL	10.882,443	2,520	520	10,885,483	10,968,223	3,910	897	10,973,030
Irrigation—								
Major Works: Direct Receipts	865,628	171	35	865,834	929,534	1,448	332	931,314
Portion of Land Revenue due to Irrigation	491,220	...	...	491,220	469,081	...	...	469,081
Madras Irrigation Company (net Traffic Receipts)	*—8,834*	...	...	*—8,834*	*—5,624*	...	...	*—5,624*
Minor Works and Navigation	131,239	...	...	131,239	139,057	...	...	139,057
TOTAL	1,479,253	171	35	1,479,459	1,532,048	1,448	332	1,533,828
Buildings and Roads—								
Military Works	50,298	...	...	50,298	44,306	...	...	44,306
Civil Works	530,336	13,636	2,813	546,785	490,307	14,440	3,313	508,060
TOTAL	580,634	13,636	2,813	597,083	534,613	14,440	3,313	552,366
Receipts by Military Departments—								
Army: Effective	1,063,738	65,455	13,504	1,142,697	902,077	71,960	16,507	990,544
Non-Effective	29,706	2,808	579	33,093	30,289	3,154	724	34,167
Military Operations in Afghanistan	354,768	2,305,000	475,524	3,135,292	...	...	...	...
„ „ Egypt	...	...	...	...	84,703	500,000	114.696	699,399
TOTAL	1,448,212	2,373,263	489,607	4.311,082	1,017,069	575,114	131,927	1,724,110
TOTAL REVENUES	72,474,543	2,661,395	549,049	75,684,987	69,293,241	801,286	183,810	70,278,337

† *Vide* foot-note (*) on page 510.

(*a*) *Vide* foot-note (*a*) on page 510.
(*d*) Included under Major Works—Direct

and in England, 1875-76 to 1884-85—continued.

transactions *in India,* including those of "Exchange."]

1883-84.				1884-85.				HEADS OF REVENUE.
India.	England.	Exchange.*	TOTAL.	India.	England.	Exchange.*	TOTAL.	
£	£	£	£	£	£	£	£	**Principal Heads of Revenue—**
22,361,899	...	...	22,361,899	21,832,211	...	...	21,832,211	Land Revenue.
9,556,501	...	...	9,556,501	8,816,469	...	...	8,816,469	Opium.
6,145,413	...	...	6,145,413	6,507,236	...	...	6,507,236	Salt.
3,513,201	...	...	3,513,201	3,606,622	...	...	3,606,622	Stamps.
3,836,961	...	...	3,836,961	4,011,867	...	...	4,011,867	Excise.
2,878,731	...	...	2,878,731	2,791,461	...	...	2,791,461	Provincial Rates.
1,187,266	...	...	1,187,266	1,029,943	...	...	1,029,943	Customs.
526,087	...	...	526,087	511,828	...	...	511,828	Assessed Taxes.
1,049,081	3,109	710	1,052,900	984,786	1,768	430	986,984	Forest.
258,955	...	...	258,955	286,784	...	...	286,784	Registration.
720,487	...	...	720,487	699,017	...	...	699,017	Tributes from Native States.
52,034,582	3,109	710	52,038,401	51,078,224	1,768	430	51,080,422	TOTAL.
819,741	29,722	6,792	856,255	667,616	34,912	8,483	711,011	**Interest.**
								Post Office, Telegraph, and Mint—
1,018,743	...	...	1,018,743	1,047,130	...	...	1,047,130	Post Office.
471,146	45,577	10,415	527,138	541,429	23,430	5,693	570,552	Telegraph.
131,413	35	8	131,456	180,139	20	5	180,164	Mint.
1,621,302	45,612	10,423	1,677,337	1,768,698	23,450	5,698	1,797,846	TOTAL.
								Receipts by Civil Departments—
573,859	...	...	573,859	546,059	...	...	546,059	Law and Justice.
311,874	...	...	311,874	319,400	...	...	319,400	Police.
192,867	...	...	192,867	165,974	...	...	165,974	Marine.
204,427	...	...	204,427	203,291	...	...	203,291	Education.
52,558	2,413	552	55,523	50,025	2,461	598	53,084	Medical.
88,693	1,038	237	89,968	84,574	613	149	85,336	Scientific and other Minor Departments.
1,424,278	3,451	789	1,428,518	1,369,323	3,074	747	1,373,144	TOTAL.
								Miscellaneous—
201,182	101,255	23,138	325,575	199,168	98,021	23,818	321,007	Receipts in aid of Superannuation, &c.
50,595	...	...	50,595	47,541	..	..	47,541	Stationery and Printing.
60,817	...	...	60,817	12,383	...	...	12,383	Exchange.(*a*)
305,228	4,881	1,115	311,224	331,687	9,064	2,203	342,954	Miscellaneous.
617,822	106,136	24,253	748,211	590,779	107,085	26,021	723,885	TOTAL.
								Railways—
8,268,482	230	53	8,268,765	8,418,927	230	56	8,419,213	State Railways (gross Traffic Receipts).(*b*)
3,688,143	...	...	3,688,143	3,478,300	...	...	3,478,300	Guaranteed Companies (net Traffic Receipts).(*c*)
...	2,645	604	3,249	...	497	121	618	Subsidized Companies (repayment of Advances of Interest).
11,956,625	2,875	657	11,960,157	11,897,227	727	177	11,898,131	TOTAL.
								Irrigation—
936,581	...	...	936,581	1,075,131	...	...	1,075,131	Major Works: Direct Receipts.
534,126	...	...	534,126	465,817	...	...	465,817	Portion of Land Revenue due to Irrigation.
(*d*)	...	...	(*d*)	(*d*)	...	...	(*d*)	*Madras Irrigation Company* (*net Traffic Receipts*).
141,872	...	...	141,872	135,027	...	...	135,027	Minor Works and Navigation.
1,612,579	...	...	1,612,579	1,675,975	...	...	1,675,975	TOTAL.
								Buildings and Roads—
44,062	...	...	44,062	40,415	...	...	40,415	Military Works.
487,688	16,575	3,788	508,051	552,036	18,219	4,427	574,682	Civil Works.
531,750	16,575	3,788	552,113	592,451	18,219	4,427	615,057	TOTAL.
								Receipts by Military Departments—
823,743	49,102	11,220	884,065	687,670	64,436	15,657	767,763	Army: Effective.
76,323	3,356	767	80,446	43,326	3,283	798	47,407	Non-effective.
...	...	...	...	...	...	...	...	Military Operations in Afghanistan.
3,708	...	...	3,708	...	...	...	...	,, ,, Egypt.
903,774	52,458	11,987	968,219	730,996	67,719	16,455	815,170	TOTAL.
71,522,453	259,938	59,399	71,841,790	70,371,289	256,954	62,438	70,690,681	TOTAL REVENUES.

(*b*) *Vide* foot-note (*b*) on page 510. (*c*) *Vide* foot-note (*c*) on page 510.
Receipts, the undertaking having been purchased by Government in 1882-83.

ACCOUNT of the EXPENDITURE chargeable on the Revenues of INDIA,

[£1 is recorded for every 10 rupees, in respect of

HEADS OF EXPENDITURE.	1875-76. India.	1875-76. England.	1875-76. Exchange.†	1875-76. Total.	1876- India.	1876- England.
	£	£	£	£	£	£
Direct Demands on the Revenues—						
Refunds and Drawbacks	302,696	...	...	302,696	251,061	...
Assignments and Compensations	903,524	...	...	903,524	878,983	...
Charges in respect of Collection, *viz.*:—						
Land Revenue	2,946,601	4,284	470	2,951,355	2,896,155	2,492
Opium (including cost of Production)	2,217,851	714	78	2,218,643	2,841,644	3
Salt (including cost of Production)	508,381	280	31	508,692	485,936	3,051
Stamps	71,166	35,270	3,873	110,309	71,136	25,130
Excise	87,226	...	...	87,226	91,345	64
Provincial Rates	52,735	...	...	52,735	52,130	...
Customs	187,551	144	16	187,711	202,163	11
Assessed Taxes	10	...	...	10	919	...
Forest	417,263	2,548	280	420,091	456,101	1,998
Registration	136,449	...	...	136,449	141,458	...
TOTAL	7,831,453	43,240	4,748	7,879,441	8,369,031	32,749
Interest—						
Interest on Debt,* other than that charged to Railways and Irrigation Works	2,044,182	2,160,855	237,263	4,442,300	1,948,549	2,316,963
Interest on other Obligations	386,048	533	59	386,640	394,119	602
TOTAL	2,430,230	2,161,388	237,322	4,828,940	2,342,6	2,317,565
Post Office, Telegraph, and Mint—						
Post Office	838,507	65,127	7,151	910,785	844,143	75,606
Telegraph	407,998	85,162	9,351	502,511	371,446	101,681
Mint	82,276	25,350	2,783	110,409	90,872	39,729
TOTAL	1,328,781	175,639	19,285	1,523,705	1,306,461	217,016
Salaries and Expenses of Civil Departments—						
General Administration	1,205,834	233,045	25,588	1,464,467	1,269,407	230,813
Law and Justice	3,100,696	1,471	162	3,102,329	3,172,171	1,574
Police	2,473,340	...	...	2,473,340	2,517,708	...
Marine (including River Navigation)	431,492	148,239	16,277	596,008	519,516	131,458
Education	1,020,570	309	33	1,020,903	1,005,279	610
Ecclesiastical	161,066	1,056	116	162,238	161,097	2,740
Medical	663,498	7,570	831	671,899	661,450	7,611
Political	415,150	15,293	1,679	432,122	490,634	14,684
Scientific and other Minor Departments	358,495	39,537	4,341	402,373	314,017	38,603
TOTAL	9,830,141	446,511	49,027	10,325,679	10,111,279	428,093
Miscellaneous Civil Charges—						
Territorial and Political Pensions	790,864	19,336	2,123	812,323	772,493	21,067
Civil Furlough and Absentee Allowances	768	229,008	25,145	254,921	778	236,171
Superannuation Allowances and Pensions	799,915	1,190,113	130,675	2,120,703	579,109	1,268,742
Stationery and Printing	253,565	208,962	22,944	485,471	260,818	186,823
Exchange(*a*)	57,058	...	...	57,058	205,423	...
Miscellaneous	619,346	27,111	2,977	649,434	389,785	36,273
TOTAL	2,521,516	1,674,530	183,864	4,379,910	2,208,406	1,749,076
[illegible]nine Relief and Insurance—						
[illegible]amine Relief	601,379	587	64	602,030	2,144,927	504
[illegible]onstruction of Protective Railways	...	...	...	...	...	...
[illegible]onstruction of Protective Irrigation Works	...	...	...	...	...	...
[illegible]eduction of Debt	...	...	...	...	...	...
TOTAL	601,379	587	64	602,030	2,144,927	504
Carried forward to page 522	24,543,500	4,501,895	494,310	29,539,705	26,482,772	4,745,003
The "Interest on Debt" is distributed as follows:—						
Interest on Debt (other than that charged to Railways and Irrigation Works) as above	2,044,182	2,160,855	237,263	4,442,300	1,948,549	2,316,963
Under Railway Revenue Account	433,534	...	...	433,534	559,504	...
Under Irrigation	539,537	...	...	539,537	583,639	...
TOTAL	3,017,253	2,160,855	237,263	5,415,371	3,091,692	2,316,963

† *Vide* foot-note (*) on page 510.

(*a*) *Vide* foot-note (*a*) on page 510.

in India and in England, 1875-76 to 1884-85.

ransactions *in India*, including those of "Exchange."]

1877-78.						HEADS OF EXPENDITURE.
Exchange.†‖	Total.	India.	England.	Exchange.†	Total.	
£	£	£	£	£	£	
...	251,061	230,521	...	...	230,521	**Direct Demands on the Revenues—** Refunds and Drawbacks,
...	878,983	867,122	...	...	867,122	Assignments and Compensations.
						Charges in respect of Collection, *viz.*—
424	2,899,071	2,939,690	3,367	520	2,943,577	Land Revenue.
...	2,841,647	2,659,504	1,762	272	2,661,538	Opium (including cost of Production).
520	489,507	545,363	810	125	546,298	Salt (including cost of Production).
4,279	100,545	74,213	28,460	4,392	107,065	Stamps.
11	91,420	94,648	4,702	726	100,076	Excise.
...	52,130	65,762	...	...	65,762	Provincial Rates.
2	202,176	207,611	...	...	207,611	Customs.
...	919	692	...	...	692	Assessed Taxes.
340	458,439	432,600	7,338	1,132	441,070	Forest.
...	141,458	149,676	...	...	149,676	Registration.
5,576	8,407,356	8,267,402	46,439	7,167	8,321,008	Total.
						Interest—
394,509	4,660,021	1,922,533	2,492,282	384,633	4,799,448	Interest on Debt,* other than that charged to Railways and Irrigation Works.
103	394,824	358,036	716	110	358,862	Interest on other Obligations.
394,612	5,054,845	2,280,569	2,492,998	384,743	5,158,310	Total.
						Post Office, Telegraph, and Mint—
12,873	932,622	867,512	96,586	14,906	979,004	Post Office.
17,313	490,440	396,125	72,288	11,156	479,569	Telegraph.
6,765	137,366	105,849	26,234	4,049	136,132	Mint.
36,951	1,560,428	1,369,486	195,108	30,111	1,594,705	Total.
						Salaries and Expenses of Civil Departments—
39,300	1,539,520	1,277,524	226,412	34,942	1,538,878	General Administration.
268	3,174,013	3,208,142	430	66	3,208,638	Law and Justice.
...	2,517,708	2,487,615	...	...	2,487,615	Police.
22,383	673,357	390,731	106,091	16,373	513,195	Marine (including River Navigation).
104	1,005,993	1,008,701	391	60	1,009,152	Education.
467	164,304	156,611	1,428	220	158,259	Ecclesiastical.
1,296	670,357	683,759	7,601	1,173	692,533	Medical.
2,500	507,818	389,888	79,184	12,221	481,293	Political.
6,573	359,193	335,381	32,363	4,995	372,739	Scientific and other Minor Departments.
72,891	10,612,263	9,938,352	453,900	70,050	10,462,302	Total.
						Miscellaneous Civil Charges—
3,587	797,147	757,904	21,067	3,251	782,222	Territorial and Political Pensions.
40,213	277,162	2,240	236,203	36,453	274,856	Civil Furlough and Absentee Allowances.
216,029	2,063,880	629,272	1,299,836	200,603	2,129,711	Superannuation Allowances and Pensions.
31,810	479,451	252,606	178,618	27,566	458,790	Stationery and Printing.
...	205,423	147,105	...	...	147,105	Exchange (*a*).
6,176	432,234	341,857	37,522	5,791	385,170	Miscellaneous.
297,815	4,255,297	2,130,984	1,773,246	273,664	4,177,894	Total.
						Famine Relief and Insurance—
86	2,145,517	5,335,300	10,685	1,649	5,347,634	Famine Relief.
...	...	...	...	...	...	Construction of Protective Railways.
...	...	...	...	...	...	Construction of Protective Irrigation Works.
...	...	...	...	...	...	Reduction of Debt.
86	2,145,517	5,335,300	10,685	1,649	5,347,634	Total.
807,931	32,035,706	29,322,093	4,972,376	767,384	35,061,853	Carried forward to page 523.

394,509	4,660,021	1,922,533	2,492,282	384,633	4,799,448	*The "Interest on Debt" is distributed as
...	550,504	703,753	...	...	703,753	Interest on Debt (other than that cha
...	583,639	621,822	...	...	621,822	Irrigation Works) as above.
						Under Railway Revenue Accou
						Under Irrigation.
394,509	5,803,164	3,248,108	2,492,282	384,633	6,125,023	Total.

ACCOUNT of the EXPENDITURE chargeable on the Revenues of INDI

[£1 is recorded for every 10 rupees, in respect

HEADS OF EXPENDITURE.	1878-79. India.	England.	Exchange.†	Total.	I India.	England.
	£	£	£	£	£	£
Direct Demands on the Revenues—						
Refunds and Drawbacks	250,529	...	...	250,529	254,645	...
Assignments and Compensations	1,032,118	...	...	1,032,118	1,142,645	...
Charges in respect of Collection, *viz.* :—						
Land Revenue	2,958,216	1,794	381	2,960,391	2,936,536	64
Opium (including cost of Production)	1,697,792	938	199	1,698,929	2,067,336	15
Salt (including cost of Production)	404,743	...	...	404,743	340,464	22
Stamps	73,807	41,645	8,849	124,301	76,974	37,35
Excise	87,839	...	...	87,839	92,038	...
Provincial Rates	64,431	...	...	64,431	47,866	...
Customs	200,417	...	...	200,417	201,280	...
Assessed Taxes	37,617	...	...	37,617	29,886	...
Forest	451,106	3,828	814	455,748	460,079	4,97
Registration	160,800	...	...	160,800	165,208	...
TOTAL	7,419,415	48,205	10,243	7,477,863	7,814,957	43,35
Interest—						
Interest on Debt,* other than that charged to Railways and Irrigation Works	1,872,668	2,593,112	550,985	5,016,765	1,750,635	2,705,97
Interest on other Obligations	382,872	1,125	239	384,236	385,397	42
TOTAL	2,255,540	2,594,237	551,224	5,401,001	2,136,032	2,706,40
Post Office, Telegraph, and Mint—						
Post Office	942,114	91,356	19,411	1,052,881	1,018,122	127,43
Telegraph	443,444	82,477	17,525	543,446	354,290	92,52
Mint	94,607	9,384	1,994	105,985	101,266	8,28
TOTAL	1,480,165	183,217	38,930	1,702,312	1,473,678	228,24
Salaries and Expenses of Civil Departments—						
General Administration	1,269,500	233,410	49,595	1,552,505	1,278,509	220,21
Law and Justice	3,334,982	1,095	233	3,336,310	3,319,536	94
Police	2,423,627	...	...	2,423,627	2,497,755	...
Marine (including River Navigation)	404,861	100,245	21,300	526,406	368,275	120,51
Education	983,507	1,154	245	984,906	967,369	26
Ecclesiastical	153,562	1,638	348	155,548	154,912	1,10
Medical	664,110	7,208	1,532	672,850	662,319	7,90
Political	435,858	12,935	2,748	451,541	418,331	12,24
Scientific and other Minor Departments	328,312	28,380	6,030	362,722	329,867	28,39
TOTAL	9,998,319	386,065	82,031	10,466,415	9,996,873	391,56
Miscellaneous Civil Charges—						
Territorial and Political Pensions	760,301	34,065	7,238	801,604	670,300	21,06
Civil Furlough and Absentee Allowances	4,482	228,001	48,446	280,929	5,232	212,91
Supperannuation Allowances and Pensions	683,273	1,356,894	288,313	2,328,480	874,511	1,361,18
Stationery and Printing	283,471	172,966	36,752	493,189	314,776	97,29
Exchange(*a*)	225,959	...	...	225,959	79,075	...
Miscellaneous	308,025	25,576	5,434	339,035	369,097	19,49
TOTAL	2,265,511	1,817,502	386,183	4,469,156	2,312,991	1,711,95
[illegible]nine Relief and Insurance—						
[illegible]mine Relief	312,823	597	127	313,547	103,647	34
[illegible]nstruction of Protective Railways	...	...	...	...	...	...
[illegible]nstruction of Protective Irrigation Works	...	...	...	...	...	...
[illegible]duction of Debt	...	...	...	...	...	...
TOTAL	312,823	597	127	313,547	103,647	34
Carried forward to page 524	23,731,773	5,029,823	1,068,738	29,830,334	23,838,178	5,081,86
[illegible]ebt" is distributed as follows :—						
[illegible] (other than that charged to Railways and [illegible]rks) as above	1,872,668	2,593,112	550,985	5,016,765	1,750,635	2,705,97
[illegible] Revenue Account	860,675	...	...	860,675	1,039,272	34,39
[illegible]	656,438	...	...	656,438	686,713	...
TOTAL	3,389,781	2,593,112	550,985	6,533,878	3,466,620	2,740,37

(†) *Vide* foot note on page 510.

(*a*) *Vide* foot-note (*a* on page 510.

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on 01 February, 2020